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**Community Initiative Development Program
(CIDP)**

FINAL REPORT

March 29, 2001 - September 28, 2004



**SUBMITTED TO:
UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT**

Cooperative Agreement#: 169-A-00-01-00119-00

**CHF - CIBP
IMPACT SUMMARY**

Projects completed:	39 (CIBP I) 3 (CIBP II)
<i>Project Impacts:</i>	
Number of Community Councils formed:	8
Number of direct beneficiaries:	190,760
Number of indirect beneficiaries:	1,350,139
Number of communities affected:	56
Number of person-months of employment generated:	4,774
Number of person-months of training provided:	71
Number of people accessing improved environmental water systems:	54,138
Number of people accessing improved social infrastructure:	116,949
Number of people accessing improved electric supply:	19,318
Number of people accessing improved roads:	86,309
USAID/CHF project funds expended:	\$1,238,404 (CIBPI) \$2,488,154 (CIBPII)
Cash/ In-kind contribution leveraged:	\$1,224,637 (CIBPI) \$2,488,051 (CIBPII)

Introduction

CHF International/Srbija team wishes to thank the people of the United States of America through the United States Agency for International Development (USAID) for the support and funding of CDDP and specifically the Cognizant Technical Officer (CTO) and staff of the General Development Office in the USAID Serbia and Montenegro Mission in Belgrade for extremely effective collaboration, insight and focus on the development goals of CDDP. CHF International/Srbija would like to acknowledge the hard work, dedication to quality and the consistent support of many people in Serbia, the United States and around the world in enabling the CDDP program to bring long-lasting positive change to the lives of citizens of Presevo and Bujanovac. Special thanks go to the many members of the Community Development Councils (CDC) who were the cornerstone of the program and to the Mayors of Presevo and Bujanovac and their administrative staffs, also the members and staff of the Republic of Serbia Coordination Body for Southern Serbia for their generous commitment of time and financial resources. CHF International/Srbija would also like to acknowledge the great support and guidance received from senior management and support from program staff at CHF HQ in Silver Spring, Maryland, USA and the local and international NGO community including CARE, IRD, Mercy Corps International, Tear Fund U.K., and the LNDP, UNOCHA, UNHCR, the EU, EEA and the Serbian agencies such as EPS, EDV, RDZP, and PZP Vranje for the efficient coordination of efforts during the last three years.

The CHF CDDP team is proud to have had the opportunity to work side-by-side with residents of Serb and ethnic Albanian communities who have demonstrated real commitment to making their communities a better place to live through hard work and financial participation in successfully completing 42 high priority, community identified projects. Much progress has been made in Presevo and Bujanovac over the last three years and the CHF CDDP team wishes to extend our gratitude to the people of Presevo and Bujanovac for all the cooperation and participation in making this program a success. It is evident to CHF that the citizens of Presevo and Bujanovac are dedicated to peace and economic development in Southern Serbia and continue to be committed to a future of stability and prosperity.

Background

USAID awarded CHF International a grant of \$2,449,878 for CDDP in March 2001. Since then CHF International/Srbija has worked closely with the citizens and the democratically elected leadership of the southern Serbian municipalities of Presevo and Bujanovac to support community infrastructure development through co-financing special project initiatives which respond to strategic priorities within the two municipalities. CDDP initiated activities with the overall goals of improving infrastructure, promoting local support of the peace process, increasing civic participation, developing democratic community processes and stimulating dialogue across ethnic lines through a sustained focus on building a multi-ethnic civil society in the region.

This report covers the period from March 29, 2001 through September 23rd, 2004, when CHF International completed its CIDP activities under the Cooperative Agreement (CA) award No. 169-A-00-01-00119-00.

CIDP, initiated amid inter-ethnic armed conflict in the municipalities Presevo and Bujanovac, has successfully implemented community-based, high-priority civil works improvement projects in support of peace and stabilization in the area. Concentrated efforts, attention and action from the international community and the Serbian government brought forth a peace settlement in July 2001. CHF has worked strategically with USAID, the US Embassy, local community leaders and the elected municipal leadership in Presevo and Bujanovac to support the peace process through participatory implementation of the CIDP program. USAID funding for Southern Serbia through CIDP and other programs has greatly contributed to the ability of communities and local government representatives to both identify problems and implement solutions in an effective, transparent and cost effective way and to respond to development projects identified in a document, developed in 2001 with support of the international community, which came to be known as the "Covic Plan". USAID's contribution to the continued stability in the region, through its funding of the Office of Transition Initiatives (OTI), CIDP and Community Revitalization through Democratic Action (CRDA) programs in Southern Serbia during this period is significant.

During the period of CIDP implementation, 2001 through 2004, CHF International believes it was critical that support to the area was sustained and demonstrated through completing development projects proposed by communities and municipalities with financial support from the Republic government. Significant, positive momentum was achieved during 2002, 2003 and 2004 however the challenge remains for the Republic government, moderate Albanian leaders and the international community to maintain the forward progress in continuing to address local grievances related to resource allocation, past governmental discrimination, and assurances of basic human rights.

Through CIDP and other initiatives, investments in civil works improvements and economic development have offered an opportunity for stability in Southern Serbia. In support of this effort, CIDP has worked to reconnect the Serbian and ethnic Albanian citizens of Bujanovac and Presevo to their municipal authorities and provide them with a voice and role in decision-making at the community and local government level. Problems associated with transportation networks, electrical supply, education and water supply have been discussed and addressed by democratically established CDCs. The communities, Presevo and Bujanovac municipal governments, and the Republic have all contributed to the successful implementation of projects identified by the CDC process. At the conclusion of the program, CHF International/Srbija successfully completed 42 community and municipality identified priority projects and fulfilled program goals and objectives under the original award.

CIDP CA Modifications

On March 27, 2002, USAID modified the original award with additional funds of \$4,000,000 to continue civil works improvements on two critical projects in the same geographic area: an electrical power system upgrade project in Presevo and a major road

reconstruction and maintenance project in Bujanovac. The overall goals of the CIDP program remained focused on improving civil works, increasing civic participation, developing democratic community processes, stimulating dialogue across ethnic lines and contributing to an improved economic environment. On September 25, 2003 the original award was further modified through a no-cost extension allowing the completion date to shift from September 30, 2003 to March 31, 2004. On March 24, 2004, CHF was granted another no-cost extension, which extended the completion date of the cooperative agreement from March 31, 2004 to June 28, 2004. On June 27, 2004, USAID granted another no-cost extension to CIDP, extending the program completion date to September 28, 2004, thus allowing payments for final works on upgrading of the electrical power substation in Presevo. The primary reasons for these extensions are related to delays within national bureaucratic structures.

Process

Presevo and Bujanovac municipalities remain among the most underdeveloped and economically stagnant in Serbia. For many years weak infrastructure, lack of a responsive local governance, economic stagnation, and ethnic tension characterized these remote municipalities along the Kosovo Administrative Boundary. Former regimes stymied civic participation as political cronyism and corruption dominated political life. It is estimated that per capita income is only 48% and 23.3% of the national average, respectively. They are also two of the more ethnically diverse municipalities; Presevo is majority Albanian (89% according to the 2002 census) with 9% Serbs and 1% Roma, while Bujanovac is more evenly divided: 55% Albanian, 34% Serb and 9% Roma. Questions concerning the future status of Kosovo loom large in this area, as some ethnic Albanians in the recent past have supported unification of Bujanovac and Presevo with Kosovo as an independent state.

In March 2001, at a time when tensions were high in Southern Serbia and violent conflict between Serbs and ethnic Albanians continued, CHF International began implementation in the municipalities of Bujanovac and Presevo. The CHF CIDP team set-up operations through the establishment of a main office in the predominantly Serbian municipality of Vranje, located just north of Bujanovac, and a sub-office in the ethnic Albanian municipality of Presevo. The overall goals of the program, improving infrastructure, increasing civic participation, developing democratic community processes, stimulating dialogue across ethnic lines and generating employment, were expressed in presentations to the mayors of each municipality during the first days of setting up operations and employing local Serbian and ethnic Albanian staff.

At the foundation of CIDP are the democratically elected Community Development Councils through which development issues were publicly discussed, projects were identified and decisions were made within a process that has contributed to the development of civil society and increasing civic participation in Presevo and Bujanovac. Implementing CIDP required participation by community residents, municipal government officials and Republic of Serbia government representatives resulting in unprecedented examples of coordination and cooperation through the successful completion of 42 high priority projects.

Both Bujanovac and Presevo municipalities border the UN Administered Province of Kosovo and have seen significant instability in past years. Once the peace settlement in Southern Serbia was achieved, CIDP also operated in the former Ground Safety Zone (FGSZ), a five kilometer wide demilitarized zone along the Kosovo administrative boundary line (ABL) established under the terms of the Kumanovo cease fire agreement between the Federal Republic of Yugoslavia (FRY) and NATO in June 1999. FRY forces were obliged to withdraw to a distance of five kilometers from the ABL with Kosovo.

CIDP established Community Development Councils in eight communities in Bujanovac and Presevo. In Bujanovac, CDCs were established in Klenike, Oslare, Levosaje, Zuzeljica, and Lepardince. In Presevo they were formed in Oraovica, Susaja and Crnotince. Over the course of 43 months, CIDP impacted at least 36 communities in these municipalities.

The fundamental concept of CIDP maintains that in order to build community capacity, the community must be involved in every stage of implementing infrastructure projects. In each community, CHF International facilitators first convened a community-wide "town hall" style meeting in which a CDC consisting of 8-12 representatives was elected in a public, transparent, democratic process. These councils were diverse in ethnicity, gender and age, and in ethnically-divided communities CHF International required roughly proportional representation on the CDC by the relevant ethnic groups.

Once the CDC was established its members organized discussion to create a list, in order of priority, of infrastructure improvement projects that are high priorities to the broad community. This was done in consultation with community members not represented on the CDC, who were given multiple opportunities to express their views on community priorities. Once the list is complete the CDC members met with CHF International staff and jointly decided which project to pursue first - a decision based on community priorities and their ability to contribute financially or in-kind or to lobby for financial support from the municipality as well as CIDP budgetary constraints.

Once a project was selected implementation began immediately. Community members were involved in all aspects of implementation, from participating in contractor selection to raising funds in the community, to overseeing and reporting on the progress of the project. One of the primary CIDP goals was to help communities understand the entire infrastructure development process, so that they are in a better position to pursue projects on their own after the conclusion of CIDP.

CIDP emphasized a "rapid start-up" and achieving immediate results. This was done in order to gain the confidence of the community in the elected CDC and to demonstrate that CHF International/Srbija was a committed and serious partner. During the initial "rapid-start" of CIDP six small-scale infrastructure projects in six different communities were identified, tendered, contracted and completed in the first 60 days of CIDP operations.

Throughout the implementation of CDDP, CHF International prioritized coordination and cooperation with donors, other development agencies, local NGOs and government bodies working in southern Serbia, including the Coordination Body of the Republic of Serbia for Municipalities of Presevo, Bujanovac and Medvedja and the United Nations Development Program.

CDDP Phase I - Projects Completed:

A total of 42 projects were completed under CDDP. These projects are listed below.

	Job No.	Village	Project	Cluster
1	11001	Klenike	Green Market Study	Bujanovac
2	11002	Presevo	Animal Market Study	Presevo
3	11003	Bujanovac	Ice Removal Emergency Assistance	Bujanovac
4	11004	Presevo	Ice Removal Emergency Assistance	Presevo
5	11010	Levosaje	School Sanitary Facility Rehabilitation	Bujanovac
6	11011	Zuzeljica	Water Supply to 59 Houses	Bujanovac
7	11012	Lopandince	Bridge Renovation	Bujanovac
8	11013	Oraovica	Road Renovation to D. Susaja	Presevo
9	11014	Bujanovac/Karakacka	Electric Power Distribution & Transformer	Bujanovac
10	11015	Presevo/Kula	Transformer Expansion	Presevo
11	11016	Presevo/Markovo Kala	Electric Power Distribution & Transformer	Presevo
12	11019	Oraovica	Internal Road Improvements	Presevo
13	11020	Klenike-Sveta Petka	Electrical Power System Rehabilitation	Bujanovac
14	11021	Klenike-Kustica	Electrical Power System Rehabilitation	Bujanovac
15	11022	Zuzeljica	Street Lighting Installation	Bujanovac
16	11024	Nesalce	School Construction Completion	Bujanovac
17	11029	Dapce / Presevo	Road Rehabilitation to Ukmemet	FGSZ
18	11030	Crnolince	Internal Road Rehabilitation	Presevo
19	11033	Trnava	Road Rehabilitation / Asphaltting (south)	Presevo
20	11035	Ljiljance	Telephone System Installation	Bujanovac
21	11039	Oslare	Road Rehabilitation to Nesalce + Internal	Bujanovac
22	11040	Oslare	Cleaning River	Bujanovac
23	11041	Levosaje	Cleaning River	Bujanovac
24	11042	Ljiljance	Electrical Power System Rehabilitation	Bujanovac
25	11053	Levosaje	School Construction Expansion	Bujanovac
26	11059	Rajince	Electrical Power Supply HV Upgrade	Presevo
27	11063	Presevo Town	Cemal Selim Street Renovation	Presevo
28	11064	Presevo Town	Tefik Selimi Street Renovation	Presevo
29	11065	Presevo Town	Save Karacevic Street renovation	Presevo
30	11066	Cerevacka/Presevo	Cerevacka School Repairs	FGSZ
31	11067	Bujic/Presevo	Bujic School Septic System Repairs	FGSZ
32	11068	Presevo+Bujanovac	Seed and Tool Distribution	FGSZ
33	11068/2	Bujanovac	Seed and Tool Distribution	FGSZ
34	11069	Bujic/Presevo	Road Drainage for School	FGSZ

35	11070	Karadak area/Presevo	Emergency Shelter Delivering (ph 1+2)	FGSZ
36	11072	Karadak area/Presevo	Emergency Shelter Materials (38 houses)	FGSZ
37	11073	Karadak area/Presevo	Electric Meters and Breakers Replacement	FGSZ
38	11076	Klinovac	Computer Lab Equipping	Bujanovac
39	11077	Ljubance	Water Main Construction	Bujanovac

CIDP Phase II - Projects Completed:

	Job No.	Communities	Project	Cluster
1	11078	Bujanovac-Lucane-Koncuj	M-25.3 Road Pavement Improvements	Bujanovac
2	11080	Lucane-Koncuj	Koncuj Power and Lucane Lighting Improvements	Bujanovac
3	11079	Bujanovac-Presevo	Presevo Power Substation Upgrade	Presevo

Program Results:

Results at the conclusion of the award(s) are:

Expected Results	End of Program Status
6 Community Development Councils formed	8
20 completed civil works improvement projects	42
36,000 direct project beneficiaries	198,760
At least 60,000 indirect beneficiaries	1,350,139
18 communities directly impacted	56
10,000 people accessing improved environmental water systems	54,138
30,000 people accessing improved infrastructure	595,575
20,000 people accessing improved economic infrastructure	36,956

CHF International/Srbija's community-based approach has generated substantial matching and in-kind contributions. Contributions as well as progress and impact are monitored through the PRS, a project tracking management software developed by CHF International. The original CIDP implementation plan was a three-phased approach enabling: phase one- a rapid start-up for immediate, highly visible results; phase two- consolidating democratic processes, supporting the peace process, responding to needs in the FG SZ and an emphasis on civic participation; and phase three- provide a framework for job creation and economic growth through infrastructure improvement projects. The successful implementation of this approach has provided the foundation for continued development in Presevo and Bujanovac through contribution and participation of the municipal and Republic governments for significant civil works improvement.

Two major civil works projects completed under CIDP are:

- Major road pavement improvement on a 12.5 km long section of Federal Highway M-25.3 from Bujanovac town to the Kosovo administrative border. The M-25.3 is an important commercial route that continues to Gnjilane, in Kosovo

province. The project included works through the villages of Lucane and Kenculj located within the former Ground Safety Zone.

- Electrical power supply system upgrade, which improved the high voltage power supply to Presevo municipality through adding capacity of the existing Presevo substation enabling it to receive 110kV electric power, an existing overhead (OH) high voltage power line had the capacity to carry 110 kV. Implementation of the project included the municipality of Bujanovac at the supply end and the municipality of Presevo at the receiving end.

CHF International estimated that there are close to 200,000 direct beneficiaries of CDDP projects and more than 1.3 million indirect beneficiaries. A total of 56 communities directly benefit from the projects. Overall, 4,774 person-months of employment were generated and 71 person-months of training were provided in these municipalities that suffer from widespread unemployment.

Conflict Management

Context

Following the 1999 NATO intervention in Serbia the municipalities of Bujanovac, Presevo and Medvedja were the scene of an increasingly violent conflict that turned into a small-scale war in early 2000 between the Serbian state security forces and the ethnic Albanian Liberation Army of Presevo, Medvedja and Bujanovac (UCPMB, which has since disbanded). Tensions were high when CHF International began working in the area early in 2001, and remained so for months – for several weeks in May 2001 CHF International staff were prevented from visiting communities in Bujanovac and Presevo due to security concerns. Since then tensions have eased, but violent incidents still occurred throughout the life of CDDP and actually increased in frequency in 2003. Widespread violence in Kosovo in March of 2004 led to fears of similar violence in Bujanovac and Presevo, but for the most part these fears were not realized.

Bujanovac and Presevo were the scene of significant returns of refugees and internally displaced persons (IDPs) who left the area during the conflict for both Kosovo and neighboring Macedonia (these refugees and IDPs comprised Albanians, Serbs and Roma). Such returns can often spark renewed violence, as disputes often arise over claims to land and property. It is important that refugees and IDPs are reintegrated into their communities without excessive difficulty or harassment, and the CDDP program was able to contribute to this process in various ways.

Approach

Three principles support the CDDP approach to conflict management: transparency, equal treatment, and creating space and opportunities for people to come together. Transparency is critical because rumors are often a source of conflict and can be especially divisive when tensions are high. By conducting business openly and maintaining good communication with communities, CHF International is able to minimize misunderstandings and rumors. Equal treatment is just as critical, as any perception of inequality – accurate or not – can spark unrest. Throughout the

implementation of CIDP, CHF International worked equally with Albanians and Serbs and made every effort to make this easily apparent to community members. Finally, through the founding of CDCs and other activities, CIDP created unique opportunities for people to come together and to build personal relationships that cross pre-existing divides.

CHF International intentionally operated CIDP from offices in the municipalities of Vranje with a majority Serb population and Presevo with a majority Albanian population. CHF International staff in the area is balanced in age, gender and ethnicity, and over time, Serbian staff worked with Albanian communities and vice versa. CHF International believes this had a significant "demonstration effect," as the structure of the USAID/CIDP program itself sets an example for the communities in which it works.

Activities in Former Ground Safety Zone

CHF International faced particularly difficult challenges working in the Former Ground Safety Zone under CIDP. Especially in 2001, this was an area of high instability and frequent violence. Concerns included unexploded land mines and clashes between Serbian and UCPMB forces. Roads were of poor quality and mobile phone networks often did not function, making emergency situations particularly dangerous. CHF International's work in this area was hampered by periodic project suspensions due to surges in violence.

When security conditions permitted and taking extra precautions, CHF/CIDP expatriate, Serbian and Albanian personnel were able to work in the FG SZ throughout the duration of CIDP. Eight projects, including distribution of home construction and repair materials, seed and tool distribution, winter wheat planting and harvesting, school reconstruction and road renovation, were completed in the FG SZ under CIDP. These projects contributed to the sustainable return of more than 3,200 people to the area. Throughout implementation of CIDP, CHF International staff worked closely with humanitarian and international organizations active in the FG SZ.

Results

The frequency and scale of ethnic related violent incidents in Bujanovac and Presevo have decreased substantially since early 2001. It is impossible to attribute this decrease to any particular initiative, but it is possible and even likely that CIDP and later USAID's CRDA as well as several other International Donor funded programs contributed to helped easing tensions between ethnic Albanians and Serbs in several communities. This was especially evident in Oslare, a multi-ethnic community in which a CDC was set-up under CIDP. Oslare is almost equally divided between ethnic Albanians and Serbs, and was the scene of significant violence at the height of the conflict. But since then relations between the two groups have improved substantially, so much so that genuine friendships have developed between Serbs and Albanians. Some Oslare residents directly attribute this development to CIDP activities and CHF International's staff involvement in the community and particularly to the opportunities for interaction created under CIDP.

CIDP projects helped build understanding between ethnic Albanian and Serb communities because they offered opportunities for members of each community to work together on projects that benefit the entire community. Consequently, Serbs and ethnic Albanians developed a sense of ownership of the entire community, not just of their half of the community. They also got to know each other on a deeper level than in the past, which broke down previously held stereotypes.

Infrastructure development

Context:

Following years of conflict and decades of neglect, infrastructure in Bujanovac and Presevo was in desperate need of attention in early 2001. Many houses were damaged or destroyed during the conflict between Serbian forces and the UCPMB; destruction in the Former Ground Safety Zone was particularly severe. Schools, roads and water systems suffered from neglect, making normally routine activities difficult. All of these factors crippled economic activity. Many communities, though eager to move past the conflict, lacked the resources and capacity needed to rebuild on their own, and looked to the international community for assistance.

Approach

With its rapid start-up, CIDP immediately set about rebuilding vital infrastructure in Bujanovac and Presevo. Under Phase I of CIDP (March 2001-March 2002) small- and medium-scale infrastructure improvement projects were prioritized, in part due to the sheer quantity of reconstruction activities needed. These projects were diverse, including water supply improvement, electrification, school completion, road rehabilitation and home reconstruction. Most CIDP infrastructure projects were included in the "Covic Plan", a document that outlined infrastructure improvement projects supported by the Republic governments to address needs in Presevo, Bujanovac and Medvedja in support of the peace settlement.

While Phase I of CIDP focused on relatively small- and medium-scale infrastructure projects, Phase II (March 2002-September 2004) focused solely on two large-scale infrastructure projects:

Bujanovac: M25, Federal Road Improvement

The 12.5 kilometers of the M25.3 federal road or "magistralni put" rehabilitated through the USAID/CIDP program is strategically important because it connects Bujanovac to Kosovo and runs through two communities in the Former Ground Safety Zone, Lucane and Kunjuh and the road continues on to Gajilane in Kosovo. Rehabilitation of the first 3.5 kilometer section of the road from Bujanovac to Lucane was completed in November 2002. Work on the remaining nine kilometers of the road from Lucane to the Kosovo boundary, began on August 11th, 2003. The road was officially inaugurated by Deputy Prime Minister Covic and others on December 16th, 2003 in Bujanovac.

The rehabilitation makes travel safer and accelerates economic development in the region, as road improvements facilitate easier commerce and trade between communities. The highway work benefits close to 50,000 people in Southern Serbia.

The road rehabilitation was a \$2.5 million project. CHF International received \$1 million from USAID and raised an additional \$1 million from the Serbian Republic Road Directorate and \$500,000 from the Coordination Body through the Municipality of Bujanovac. Additional improvements to infrastructure along the road were made by the Municipality and by UNDP.

Presevo: Electrical Power Substation Upgrade

The Presevo electrical power substation upgrade was critical to improving high voltage power supply to the people of Presevo and surrounding areas. The upgrade added capacity to the existing Presevo substation and enabled it to receive 110 kilovolt electric power, the substation previously received only 220 kilovolt power. The project improved living conditions for the estimated 35,000 residents of Presevo municipality and surrounding areas, who previously struggled with an inadequate power supply and frequent blackouts. It also eased the burden on electrical power stations in neighboring municipalities. It is estimated that this new system will meet the growing need for electricity for more than 20 years in the future.

The power substation upgrade was a \$2.5 million project that began in September 2002. CHF International received \$1.5 million from USAID and raised an additional \$500,000 from the Republic of Serbia Coordination Body for Southern Serbia, \$400,000 from Elektroprivreda Srbije (the state power company), and \$100,000 from the Municipality of Presevo. The station was inaugurated on July 1, 2004.

Throughout both phases of CIDP, CHF International placed particular emphasis on timing, cost and quality engineering. With very few exceptions, all projects were completed within the designated time period and operated within budget constraints. The experienced and professional engineers employed by CHF International made certain that the planning and implementation of all infrastructure projects met the highest standards possible (for example, "barrier free accessibility options" were included in building projects whenever possible).

CIDP also prioritized environmental awareness and sensitivity and enforced mitigation measures. These are sometimes overlooked in infrastructure projects in post-conflict settings in which the need for immediate reconstruction is paramount, but CHF International and the communities paid close attention to how CIDP projects affected the environment. Finally, site-safety and safe conduct of all workers were a constant concern, and no workers were injured during CIDP implementation.

Results

The infrastructure improvements brought about by CIDP are clearly evident to anybody visiting Presevo and Bujanovac and the surrounding CIDP communities. These infrastructure projects directly affect tens of thousands of people in Bujanovac and

Presevo. It is estimated that as a direct result of CIDP projects, more than 54,000 people can now access improved water systems, close to 117,000 have access to improved social infrastructure (schools and other public spaces), more than 55,000 have access to an improved electricity supply and more than 86,000 have access to improved roads. These figures represent significant percentages of the populations of Bujanovac and Presevo and neighboring municipalities.

Community Mobilization

Context

Many of the communities involved in CIDP were fragmented and uncertain of their direction in early 2001. Internal organization was sometimes minimal, particularly in multiethnic communities, and relations with municipal governments were in some cases non-existent. Community members rarely met to discuss community needs and priorities, almost none of the communities had coherent strategies for moving forward. Local government structures -- called *Mesna zajednica* -- were generally unresponsive to community needs. In most communities there was significant frustration with the present situation and little optimism about the future.

Approach

CHF International's community development methodology has been used with success in CIDP communities. In implementing CIDP CHF International's community facilitation staff, including community mobilizers, engineers and economic specialists, worked closely with the CDCs as projects were identified. CHF/CIDP methodology emphasized pursuing projects identified and driven by the community building social capital and enhancing communities' capacity to improve their own conditions.

CIDP emphasized community ownership of all projects and that development projects succeed only if there is commitment from the citizens. Communities had to express interest in a partnership with CHF International for the CIDP program to be truly successful in the community. CHF International was careful throughout implementation to maintain a partnership and support role in assisting the communities toward project completion.

CIDP also focused on facilitating dialogue and cooperation between communities and the local governments of Bujanovac and Presevo. It did so by arranging meetings and assisting community members in dealing with the municipality, while on the other end encouraging municipal officials to interact more often and on different levels with community members.

Results

Though the results in the community mobilization aspects of CIDP are less tangible than the infrastructure developments, they are no less significant. It is important to note that all of the communities involved in CIDP have been integrated into USAID's Community Revitalization through Democratic Action (CRDA) program, a major development program more complex but with a similar community mobilization approach to CIDP that covers all of Serbia and Montenegro and continues through July 15, 2006.

Consequently, all of the CDCs created under CDP continue under CRDA. The former CDP communities are among some of the most successful CRDA communities, in part because they experienced a "head start" but also because their members have coalesced around CDP and CRDA and are working together to improve their communities' future. In many of these communities there is a sense of enthusiasm and confidence that was absent in early 2001.

Relations between USAID/CDP communities and their municipalities have improved substantially. Community members now have a better understanding of how to navigate the municipalities' sometimes complicated bureaucracy and have greater confidence in approaching municipal officials and making requests of the municipality. CHF International believes that these are skills that will persist after completion of the CRDA program and will lead to long-term positive change.

Lessons Learned

Several overall lessons come out of the CDP experience:

- 1. Rapid mobilization at the community level focused on initiating tangible projects can have a lasting positive impact.*
In some CDP communities, CHF International was initially greeted with skepticism. But by rapidly completing initial projects and demonstrating commitment to the communities and capacity in the municipalities CHF International was able to overcome such skepticism and gain the trust of the communities, which made helping the communities to implement future projects substantially easier. CHF International's ability to "get things done" impressed community members, which in turn made them more enthusiastic about and committed to future projects.
- 2. It is important to move quickly from a product-focus to a process-focus.*
Following the rapid start-up period, CHF International found that it is important to quickly shift focus to the process involved in implementing projects and away from the speed with which they are completed. This may result in projects taking slightly longer to complete, but that is more than compensated for by advances in community capacity and in community members' enhanced belief in themselves and in what they can accomplish.
- 3. It is possible to work through periods when rules and regulations are poorly defined and enforced.*
CHF International operated in difficult conditions in Bujanovac and Presevo, especially in the first half of 2001. However, though many people and organizations skirted rules and regulations because it was easy to do so, CHF International found that it was possible to abide by these rules and regulations and thereby set an example for others. Though doing so sometimes slowed project implementation, CHF International feels that abiding by all relevant rules and regulations sets an important precedent, especially in contexts in which these rules are not often followed.

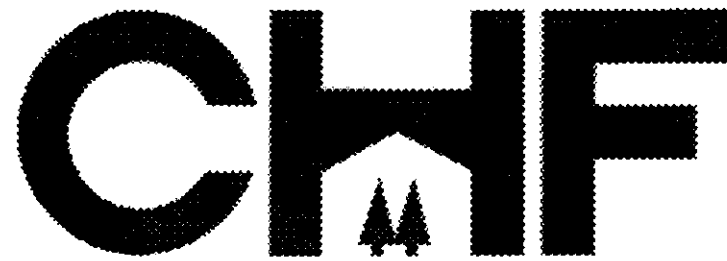
4. *Infrastructure development work can play an important role in managing conflict.*

Infrastructure development work is typically viewed as "just construction," but through CDDP, CHF International demonstrated that such work can have important effects on managing and mitigating conflict. By improving people's lives in a post-conflict setting, programs such as CDDP increase individuals' sense of security. When people feel more secure, and when their physical conditions are improving, they are less likely to turn to violence.

5. *Community development goals can transcend ethnic divisions.*

At the outset of CDDP there was some concern about pursuing development projects in communities of mixed ethnicity. But CHF International's experience in Oslare (as well as experiences in mixed ethnicity communities involved in CRDA) demonstrates that community members are able to overcome ethnic divisions to work for common goals that benefit the entire community. This work can also change expectations; according to one Serbian CDC member in Oslare, "the atmosphere has changed completely. Now people have the expectation that things should change for the whole village, not just part of the village."

CHF invites USAID to review the Project Reporting System documents including reports and photographs entitled: *Selected Reports and Projects to Date* on the USAID website www.web-prs.com. The CDDP portion of this website provides detailed information and pictures concerning all aspects of both the program's development and each specific project. Reports generated from this project-tracking database can be viewed for the project as a whole and/or broken down within specific reporting periods.



i n t e r n a t i o n a l

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**Community Initiative Development Program
(CIDP)**

QUARTERLY REPORT

April 1, 2004 - June 30, 2004

**SUBMITTED TO:
UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT**

Cooperative Agreement#: 169-A-00-01-00119-00

CHF – CIBP
IMPACT SUMMARY

Projects completed to date:	39 (CIBP I) 2 (CIBP II)
Projects ongoing:	1 (CIBP II)
<i>For approved / initiated projects:</i>	
Number of Community Councils formed:	8
Number of direct beneficiaries:	690,576
Number of indirect beneficiaries:	1,350,139
Number of communities affected:	56
Number of person-months of employment generated:	4,774
Number of person-months of training provided:	71
Number of people accessing improved environmental water systems:	54,138
Number of people accessing improved social infrastructure:	116,949
Number of people accessing improved electric supply:	19,310
Number of people accessing improved roads:	86,309
CHF commitments for approved projects:	\$1,246,171 (CIBP I) \$2,500,000 (CIBP II)
Cash/ In-kind contribution leveraged/projected:	\$1,170,860 (CIBP I) \$2,500,000 (CIBP II)

CHF International (CHF)
Community Initiative Development Program (CIDP)
Quarterly Report July 2004
Reporting Period: April 1, 2004 through July 30, 2004
Award No. 169-A-00-01-00119-00

Element #1: Background:

This report covers the period from April 1st through June 30th, 2004, of CIDP activities under the modification of Cooperative Agreement (CA) award No. 169-A-00-01-00119-00. The CHF International/Serbia CIDP team focused its efforts this quarter on finalizing project execution and problem solving, working with Republic of Serbia Government agencies on technical approval issues, contractual and financial commitments, and management and coordination activities for a large civil-works improvement project in the Southern Serbia municipality of Presevo - the upgrading of an electrical power substation in Presevo, and an additional smaller project of improving electrical power in the community of Kenculj and lighting in Lucane. The CHF CIDP team continued to receive support from USAID Mission personnel to ensure continued progress and timely completion of both remaining CIDP II projects. All works on the M-25.3 road from Bujanovac to the Kosovo administrative boundary project were completed in the previous reporting period.

CIDP, initiated thirty-nine months ago amid inter-ethnic armed conflict in the municipalities Presevo and Bujanovac, has successfully implemented community-based, high-priority civil works improvement projects in support of peace and stabilization in the area. Concentrated efforts, attention and action from the international community and the Serbian government brought forth a peace settlement in July 2001. Through CIDP and other initiatives, investments in civil works improvements and economic development offered an opportunity for stability. In support of this effort, CIDP has worked to reconnect the Serbian and ethnic Albanian citizens of Bujanovac and Presevo to their municipal authorities and provide them with a voice and role in decision-making at the community and local government level. Problems associated with transportation networks, electrical supply, education and water supply have been discussed and addressed by democratically established Community Development Councils (CDC). The communities, the Republic and the Presevo and Bujanovac municipal governments have all contributed to the successful implementation of projects identified by the CDC process. To date, CHF has successfully completed 41 out of 42 identified projects and fulfilled program goals and objectives under the original award.

On March 27, 2002, USAID modified the original award with additional funds of \$4,000,000 to continue civil works improvements on two critical projects in the same geographic area: electrical power system upgrade and road maintenance. The overall goals of the CIDP program remain focused on improving civil works, increasing civic participation, developing democratic community processes, stimulating dialogue across ethnic lines and contributing to an improved economic environment. On September 25,

2003 the original award was modified through a no-cost extension to adjust the completion date from September 30, 2003 to March 31, 2004. On March 24, 2004, another no-cost extension extended the completion date of the cooperative agreement from March 31, 2004 to June 28, 2004. On June 17, 2004, USAID granted another no-cost extension to CIDP, extending the program completion date to September 28, 2004, thus allowing payments for final works on upgrading of the electrical power substation in Presevo.

Element #2: Expected Results:

Expected results at the conclusion of the award(s) are:

Expected Results	Current Status
6 Community Development Councils formed	8
20 completed civil works improvement projects	41
36,000 direct project beneficiaries	698,576
At least 60,000 indirect beneficiaries	1,350,139
18 communities directly impacted	56
10,000 people accessing improved environmental water systems	54,138
30,000 people accessing improved infrastructure	595,575
20,000 people accessing improved economic infrastructure	36,956

CHF International/Srbija's community-based approach has generated substantial matching and in-kind contributions. Contributions as well as progress and impact are monitored through the PRS, a project tracking management software developed by CHF International. The original CIDP implementation plan was a three-phased approach enabling a rapid start-up for immediate, highly visible results providing a framework for economic growth. The successful implementation of this approach has provided the foundation for continued development in Presevo and Bujanovac through contribution and participation of the municipal and Republic governments for significant civil works improvement.

Element #3: Current core activities:

CHF International/Srbija continued progress on the remaining civil works project approved for the CIDP II modification, the Presevo Power Substation Upgrade (#11079). A grant modification, signed on March 24, 2004, allowed for the implementation of an additional locally-identified priority project in the former Ground Safety Zone: Kacanik Power and Lucane Lighting Improvements (#11080).

Project No. 11079 involves an electrical power supply system upgrade, which will improve the high voltage power supply to Presevo municipality through adding capacity of the existing Presevo substation enabling it to receive 110kV electric power.

Implementation of the project includes the municipality of Bujanovac at the supply end and the municipality of Presevo at the receiving end. An existing overhead (OH) high voltage power line has the capacity to carry 110 kV.

During April, the project's main elements -- substation in Presevo and OH line -- required Ministry approval of project documentation and the creation of a commission to turn on the 110 kV power. The Investor's team and TP6 contractor delivered the collection of internal documents required for contract completion.

During the month of May, Republic of Serbia government authorities made no progress on appointing a Ministry level commission to turn on the 110 kV power. EPS submitted to the Ministry all remaining project documentation. CHF and USAID representatives met with former Deputy Prime Minister Dr. Covic, leader of the Republic of Serbia's Coordination Body for Southern Serbia, to request assistance on this matter.

In June, the Serbian government authorities appointed the Ministry commission and authorized EPS to turn on the 110 kV power. On June 28 and 29 the Presevo power substation was switched from 35 kV to the 110 kV testing mode. On July 1 H.E. Michael Pelt, US Ambassador to Serbia and Montenegro, and Republic of Serbia government officials inaugurated the project.

Project No 11080 - During the month of April, CIDP took over and completed the CRDA initiated project #21477 - Koculj power improvement. The activity was done in connection to the road M-25.3 works, under project #11078, per terms of the grant no-cost extension. The new CIDP project received project number 11080. In response to a Bujanovac municipality request for technical assistance, project number 11080 was expanded through a contract annex to cover street lighting improvement in Lucane, along the road M-25.3. All works were performed in April and a technical commission carried out an inspection on April 16 and formally approved the project completion.

CIDP II projects were originally scheduled for completion on September 30, 2003. However, the delays in project permitting procedures at the Republic level resulted in the need for an extension of the CIDP project period. CHF's request for a no-cost extension to the Cooperative Agreement was accepted by USAID and a new modification of the award allows to CHF to complete CIDP program activities by the end of September 2004.

CIDP II projects required critical involvement from local and Republic level authorities in co-financing and decision-making, as well as in documentation approval and final project certification. This process has been burdensome and inefficiencies within the Serbian government have caused considerable delays. Unfortunately, changes to the Construction Law, put into effect in April 2003, created major disorder within the ranks of various government agencies. This situation, together with recent Serbian government restructuring, stalled the permitting process, and negatively affected timely project review by the Ministry commission and the issuance of construction occupancy permits for the M25.3 Road as well as the Presevo Power project, ultimately delaying both of the project completion dates.

The combined total number of completed or active projects for CDP I and CDP II is 42 throughout 17 communities, including substantial activities in the former GSZ.

The CHF/USAID financial commitment for projects completed and initiated during this period was \$1,246,171 (CDP I) and \$2,500,000 (CDP II). Additionally, CHF leveraged matching and in-kind contributions from local communities, municipalities, public utilities, residents and individuals projected to be \$1,270,860 (CDP I) and up to \$2,500,000 (commitment) from the Republic of Serbia government, the municipalities of Presevo and Bujanovac, Republička Direkcija za puteve, and EPS (CDP II).

The eight Community Development Councils (CDC) established throughout CDP activities continued their involvement and training under the CRDA Program. Throughout the reporting period, a regular schedule of CXC meetings continued in all eight communities. In these meetings, the CXCs identified projects, discussed ongoing project monitoring activities and contributed to project implementation through cash and in-kind participation.

During the reporting period CHF International/Srbija CDP team continued close collaboration with Mayor Nagip Arifi of Bujanovac and his staff for the Kosculj/Lucane project and review process. Coordination for the Presevo Power project included collaboration with Mayor Riza Halimi of Presevo and his staff as well as personnel of ElektroDistribucija Vranje (EDV).

CHF CDP staff continues to be an integral part of the coordination process in Southern Serbia, working closely with UNDP and other local and international NGOs.

Currently Contracted Activities:

Electric Power Distribution Upgrade, Presevo Substation (#11079):

This project involves upgrading the existing Presevo Sub-Station to enable it to receive 110kV electric power. Works are scheduled for completion in Bujanovac, the supply end, and in Presevo, the receiving end. The existing overhead high voltage power line is already suitable to carry 110 kV power. Project activities reached the final implementation stage during this reporting period. The Ministry of Capital Investment formed the required Technical Commission, which reviewed documents and checked the site works on compliance in Presevo. The commission completed its work on June 24. The Ministry of Capital Investment permitted EPS to supply the 110kV power from Bujanovac through the overhead line to the upgraded substation in Presevo. Field works were successfully completed during June 28th and 29th.

Minor civil works, mainly within the "old" part of substation, remained to be completed following the power initiation. On July 1, 2004, H.E. Michael Poll, US Ambassador to Serbia and Montenegro, and other dignitaries, officially inaugurated the upgraded substation Presevo facility.

Kosculj Power and Lucane Lighting Improvements (#11080):

An annex to the Konculj contract was signed with the contractor "Creda", which immediately obtained all electrical and municipal permits, and commenced work in Lucane. The scheduled street lighting improvement works were completed in close collaboration with the citizens of Lucane and municipal inspectors, helping to receive all necessary approvals from owners of land where new light poles were located.

All field activities were completed and on April 16, the municipal commission visited the project site and immediately issued technical acceptance for the project. CHF made a final payment to the contractor and completed project close-out documentation.

CHF invites USAID to review the Project Reporting System documents including reports and photographs entitled: *Selected Reports and Projects to Date on the* USAID website www.web-prs.com. The CIBP portion of this website provides detailed information and pictures concerning all aspects of both the program's development and each specific project. Reports generated from this project-tracking database can be viewed for the project as a whole and/or broken down within specific reporting periods.

Element #4: Performance:

The following are the accomplishments for the program during the reporting period:

1. Completed 41 projects in some of the most remote and politically contentious areas in the region (under CIBP I).
1 CIBP II civil works project continued (started on April 1, 2002, per modification to CA); activities originally scheduled for 18 months (end on September 30, 2003) were extended for additional 12 months (end of September, 2004). The Power project (#11079) completion received support from Ministry of Capital Investment, whose commission positively reviewed documentation and field works, allowing transmission to the upgraded facility of Prosevo Substation. 110 kV power was successfully tested on the OH line and on the new equipment delivered to Prosevo receiving end of system. Additional civil works project was identified and contracted - Konculj Power and Lucane Lighting Improvements (#11080) – and consequently successfully implemented during April.
2. 2 Cluster and 8 Community Development Council's (CDC) continued their development through ongoing meetings and training under CRDA Program. CDCs occupy a central part of the working process—identifying community priorities, aiding in the acquisition of project designs, participating in the bidding process, and in overseeing community contributions to projects. Community Project Committees (CPC) have been established in Lucane and Konculj and have facilitated the citizens' support for the power project passing through these two villages. Mayor Halimi of Prosevo, his staff and personnel of ElektroDistribucija Vranje (EDV) serve as CPC team for the Prosevo Power project.

3. Prior to commencing works, CHF organized public announcements, alerting inhabitants of Bujanovac and Presevo municipalities about upcoming activities and requesting collaboration and patience. Both projects received substantial local media coverage.

Element #5: Statement of Work:

CDP program implementation process continued to reveal the desperate need for and priority given to infrastructure improvements throughout the Presevo Valley. The geographical area covered by this program is remote and it remains a politically contentious part of Serbia, as demonstrated again through increased political and social tension over the reported quarter. New unrest in the area and repeated acts of violence against police became a serious security concern, specifically in the immediate vicinity of the M-25.3 Road project construction, near the Kosovo administrative boundary. Considering these conditions, CHF continued to monitor the security situation in the area and views the inter-ethnic activities of the CDP program and CDCs to be highlights not only of the program but of activities throughout Southern Serbia during this reporting period.

Progress on CDP II projects continued to focus on: 1) working with Republic of Serbia Government agencies on technical and formal approvals for the Power project, 2) managing contractual commitments, project execution and problem solving during implementation of construction works on the power project, and, 3) monitoring budgetary issues and payments to contractors, with Serbian Government and institutional partners on the projects.

At the end of the reporting period and over the life of the program 41 projects have been completed.

A civil works project - Kocelj Power and Lucane Lighting Improvements (#11080) - was successfully implemented and completed during April.

The timetable on the Presevo Power Substation Upgrade (#11079) was adjusted to allow more time for completing documentation collection and field works review in April and May. After agreement on contract completion conditions was reached with the TP6 contractor, the Investor's team continued project coordination and helped TP6 to focus on contract completion procedures. In June, the Ministry of Capital Investment formed the Technical Commission, which reviewed documents and checked the site works code compliance in Presevo. The commission completed its works on June 24. By the end of this reporting period EPS was permitted to supply the 110kV power from Bujanovac through the overhead line to the upgraded substation in Presevo. Field works were successfully completed on June 28th and 29th, 2004. On July 1, 2004, H.E. Michael Polt, US Ambassador to Serbia and Montenegro, and other dignitaries, officially inaugurated the upgraded substation Presevo facility.

CDP I - Projects Completed:

	Job No.	Village	Project	Cluster
1	11001	Klenike	Green Market Study	Bujanovac
2	11002	Presevo	Animal Market Study	Presevo
3	11003	Bujanovac	Ice Removal Emergency Assistance	Bujanovac
4	11004	Presevo	Ice Removal Emergency Assistance	Presevo
5	11010	Levosaje	School sanitary facility rehabilitation	Bujanovac
6	11011	Zuzeljica	Water supply to 59 houses	Bujanovac
7	11012	Lopandince	Bridge renovation	Bujanovac
8	11013	Oraovica	Road renovation to D.Susaja	Presevo
9	11014	Bujanovac/Karakacka	Electric power distribution & transformer	Bujanovac
10	11015	Presevo/Kula	Transformer expansion	Presevo
11	11016	Presevo/Markovo Kale	Electric power distribution & transformer	Presevo
12	11019	Oraovica	Internal road improvements	Presevo
13	11020	Klenike-Sveta Petka	Electrical Power system rehabilitation	Bujanovac
14	11021	Klenike-Kustica	Electrical Power system rehabilitation	Bujanovac
15	11022	Zuzeljica	Street lighting installation	Bujanovac
16	11024	Nesalce	School construction completion	Bujanovac
17	11029	Dapce / Presevo	Road to Ukmemet rehabilitation	FGSZ
18	11030	Crnatince	Internal road rehabilitation	Presevo
19	11033	Trnava	Road rehabilitation / asphaltting (south)	Presevo
20	11035	Ljiljance	Telephone system installation	Bujanovac
21	11039	Oslare	Road rehabilitation to Nesalce + internal	Bujanovac
22	11040	Oslare	Cleaning river	Bujanovac
23	11041	Levosaje	Cleaning river	Bujanovac
24	11042	Ljiljance	Electrical Power system rehabilitation	Bujanovac
25	11053	Levosaje	School construction expansion	Bujanovac
26	11059	Rajinac	Electrical power supply HV improve	Presevo
27	11063	Presevo Town	Canal Selim Street renovation	Presevo
28	11064	Presevo Town	Tefik Selimi Street renovation	Presevo
29	11065	Presevo Town	Save Kavacevic Street renovation	Presevo
30	11066	Cerevacka/Presevo	Cerevacka School repairs	FGSZ
31	11067	Bujic/Presevo	Bujic School septic system repairs	FGSZ
32	11068	Presevo+Bujanovac	Seed and Tool distribution	FGSZ
33	11068/2	Bujanovac	Seed and Tool distribution	FGSZ
34	11069	Bujic/Presevo	Road Drainage for school	FGSZ
35	11070	Karadak area/Presevo	Emergency shelter delivering (ph 1+2)	FGSZ
36	11072	Karadak area/Presevo	Emergency shelter materials (38 houses)	FGSZ
37	11073	Karadak area/Presevo	Electric meters and breakers replacement	FGSZ
38	11076	Kllanovac	Computer Lab Equipping	Bujanovac
39	11077	Ljiljance	Water Main Construction	Bujanovac

CIDP II - Projects Completed:

	Job No	Communities	Project	Cluster
1	11078	Bujanovac-Lucane-Konculj	M-25.3 Road Pavement Improvements	Bujanovac
2	11080	Lucane-Konculj	Konculj Power and Lucane Lighting Improvements	Bujanovac

CIDP II - Projects Ongoing:

	Job No	Communities	Project	Cluster
1	11079	Bujanovac-Presevo	Presevo Power Substation Upgrade	Presevo



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**Community Initiative Development Program
(CIDP)**

QUARTERLY REPORT

October 1, 2003 - December 31, 2003

**SUBMITTED TO:
UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT**

Cooperative Agreement#: 169-A-00-01-00119-00

CHF – CIDP IMPACT SUMMARY

Projects completed to date:	39 (CIDP I) 1 (CIDP II)
Projects ongoing:	1 (CIDP II)
<i>For approved / initiated projects:</i>	
Number of Community Councils formed:	8
Number of direct beneficiaries:	690,576
Number of indirect beneficiaries:	1,350,139
Number of communities affected:	56
Number of person-months of employment generated:	4,774
Number of person-months of training provided:	71
Number of people accessing improved environmental water systems:	54,138
Number of people accessing improved social infrastructure:	116,949
Number of people accessing improved electric supply:	19,310
Number of people accessing improved roads:	86,309
CHF commitments for approved projects:	\$1,246,171 (CIDP I) \$2,500,000 (CIDP II)
Cash/ In-kind contribution leveraged/projected:	\$1,270,868 (CIDP I) \$2,500,000 (CIDP II)

**Cooperative Housing Foundation (CHF)
Community Initiative Development Program (CIDP)
Quarterly Report January 2004
Reporting Period: October 1, 2003 through December 31, 2003
Award No. 169-A-00-01-00119-00**

Element #1: Background:

This report covers the period from October 1st through December 31st, 2003, of CIDP activities under the modification of Cooperative Agreement (CA) award No. 169-A-00-01-00119-00. The CHF Serbia CIDP team focused its efforts this quarter on finalizing project execution and problem solving, working with Republic of Serbia Government agencies on technical approval issues, contractual and financial commitments, and management and coordination activities for two large civil-works improvement projects in Presevo and Bujanovac. The CHF CIDP team continued to receive support from USAID Mission personnel to ensure continued progress in both CIDP II projects. The projects are an electrical power upgrade to Presevo municipality and critical road pavement improvements on the M-25.3 from Bujanovac to the Kosovo administrative boundary.

CIDP, initiated thirty three months ago amid inter-ethnic armed conflict in the municipalities Presevo and Bujanovac, has successfully implemented community-based, high-priority civil works improvement projects in support of peace and stabilization in the area. Concentrated efforts, attention and action from the international community and the Serbian government brought forth a peace settlement in July 2001. Through CIDP and other initiatives, investments in civil works improvements and economic development offered an opportunity for stability. In support of this effort, CIDP has worked to reconnect the Serbian and ethnic Albanian citizens of Bujanovac and Presevo to their municipal authorities and provide them with a voice and role in decision-making at the community and local government level. Problems associated with transportation networks, electrical supply, education and water supply have been discussed and addressed by democratically established Community Development Councils (CDC). The communities, the Republic and the Presevo and Bujanovac municipal governments have all contributed to the successful implementation of projects identified by the CDC process. To date, CHF has successfully completed 40 out of 41 identified projects and fulfilled program goals and objectives under the original award.

On March 27, 2002, USAID modified the original award with additional funds of \$4,000,000 to continue civil works improvements on two critical projects in the same geographic area: electrical power system upgrade and road maintenance. The overall goals of the CIDP program remain focused on improving civil works, increasing civic participation, developing democratic community processes, stimulating dialogue across ethnic lines and contributing to an improved economic environment. On September 25, 2003 the original award was further modified through a no-cost extension allowing the completion date to shift from September 30, 2003 to March 31, 2004.

Element #2: Expected Results:

Expected results at the conclusion of the award(s) are:

Expected Results	Current Status
6 Community Development Councils formed	8
20 completed civil works improvement projects	39
36,000 direct project beneficiaries	690,576
At least 60,000 indirect beneficiaries	1,350,139
18 communities directly impacted	56
10,000 people accessing improved environmental water systems	54,138
30,000 people accessing improved infrastructure	595,575
20,000 people accessing improved economic infrastructure	36,956

CHF's community-based approach has generated substantial matching and in-kind contributions. Contributions as well as progress and impact are monitored through the PRS, a project tracking management software developed by CHF. The original CDDP implementation plan was a three-phased approach enabling a rapid start-up for immediate, highly visible results providing a framework for economic growth. The successful implementation of this approach has provided the foundation for continued development in Presevo and Bujanovac through contribution and participation of the municipal and Republic governments for significant civil works improvement.

Element #3: Current core activities:

CHF continued progress on two significant civil works projects approved for CDDP II modification. They are: M-25.3 Road Pavement Improvements Bujanovac-Kosovo administrative border (#11078) and Presevo Power Substation Upgrade (#11079).

Project No. 11078 involves road pavement improvements on a 13.5 km long section of Federal Highway M-25.3 from Bujanovac town to the Kosovo administrative border (the road continues to Gnjilane, in Kosovo province), and includes works through the villages of Lucane and Kaneulj located within the former Ground Safety Zone (GSZ).

During the month of October, works on the remaining sections of the M-25.3 road moved forward after several additional technical adjustments were made to the original design solutions. All 9 km of road length received a 6 cm base asphalt layer and final top-coat application began. CHF initiated a value engineering approach to the project which resulted in design changes and overall savings through the elimination of unnecessary tasks and more efficient procurement and use of quantities of material and labor.

CHF Management was concerned during this reporting period about insufficient progress made by the contractor and potential for further delay caused by unfavorable weather conditions however the CHF CIDP team kept pressing the contractor for greater crew mobilization and attention to overall works completion.

Fortunately the weather remained steady and during the last days of November a substantial completion of contracted works on the road was reported by the contractor "Putevi" Užice. Internal control of finished works revealed a need for additional attention on shoulder compacting and a few other minor items. Change orders were approved and activities started for non-contracted works on the police checkpoint lighting and widening of three deteriorated narrow box-culverts, work which was omitted in the original design. All change orders and payment requests were appropriately approved and signed by the Serbian Road Directorate management.

By mid-December the contractor completed all scheduled works and finished the extra tasks of widening box-culverts and providing new lighting of the police check point. On December 16, 2003, an official road opening ceremony was held, conducted by Bujanovac Mayor Arifi and his Deputy Manojlovic, and attended by Serbian and US government officials, including Deputy Prime Minister Covic. The ceremony coincided with the Republic of Serbia's Coordination Body celebration of the anniversary of work in Southern Serbia during the past 3 years.

Project No. 11079 involves an electrical power supply system upgrade, which will improve high voltage power supply to Presevo municipality through adding capacity of the existing Presevo substation enabling it to receive 110kV electric power. Implementation is scheduled for Bujanovac (the supply end) and in Presevo (the receiving end). Existing overhead high voltage power line has capacity to carry 110 kV.

During October progress on completion of civil works elements of the Presevo Power project, performed by a subcontractor from Sumdihica, continued at the Presevo site. Energoprojekt Oprema (EPO), the TP6 main contractor, continued to fall behind the contracted schedule. CHF management, responding to the situation, engaged EPO and Fideco in a series of meetings to improve the contractor's project management approach. As a result, EPO proposed a new timeline and guaranteed "substantial" completion of works by November 30th 2003, and testing and verification by December 20th 2003.

However, it became evident in early November that TP6 contracted works on the Presevo substation construction were well behind the agreed timetable – mainly electro-mechanical works. CHF staff continued its effort to mobilize the contractor and work out the management problems. CHF received successful equipment delivery, specifically on TP1 equipment – the 110/10 kV transformer was delivered to the Presevo site assembled and mounted on its foundation and on TP2 equipment – 110kV exterior and interior units were delivered and set up at TS Presevo and TS Bujanovac. The consulting services contract with FIDECO (Site Inspection Contract) was extended because of TP6 delays and an additional consultation contract was drafted in support to TP6 management. Also because of overall delays an additional on-site insurance policy for TP1, 2, 3 and 5 was purchased, to protect equipment until handover to EPS/EDV.

During December, the contractor for TP6 package on the Presevo substation project (#11879) continued to fall behind the agreed original schedule. To resolve the situation, CHF and EPO agreed to accept January 31, 2004, as the new end-date for the project completion. By the end of the month the civil works elements of the project progressed to 95% completion, and TP3 (10kV switchgear units) and TP5 (monitoring and protection units) with delivery and assembly of the equipment inside the control building at the Presevo site. CHF also accepted to cover additional material cost of replacing the missing structural steel parts on towers supporting the overhead lines.

CIDP II projects were originally scheduled for completion on September 30, 2003. However, the delays in project permitting procedures at the Republic level confirmed that the program required a time extension. The CHF request for a no-cost extension to the Cooperative Agreement was accepted by USAID and a new modification of the award allows to CHF to complete CIDP program activities by the end of March 2004.

Both projects require critical involvement from local and Republic level authorities in co-financing, decision making and documentation of approval and contracting process. This process has been burdensome and inefficiencies within the Serbian government have caused considerable delays. Unfortunately, recent changes to the Construction Law (put into effect in April 2003) created a major disorder within the ranks of various government agencies. This situation has stalled the permitting process and negatively affected timing of the issuance of construction permits for the M25.3 Road as well as the Presevo Power project, ultimately delaying both of the projects completion dates.

CIDP I and II combined total number of completed or active projects is 41 throughout 17 communities, including substantial activities in the former GSZ (Ground Safety Zone).

The CHF/USAID financial commitment for projects completed and initiated during this period was \$1,246,171 (CIDP I) and \$2,500,000 (CIDP II). Additionally, CHF leveraged matching and in-kind contributions from local communities, municipalities, public utilities, residents and individuals projected to be \$1,270,860 (CIDP I) and up to \$2,500,000 (commitment) from the Republic of Serbia government, the municipalities of Presevo and Bujanovac, Republička Direkcija za puteve, and EPS (CIDP II).

The eight Community Development Councils (CDC) established throughout CIDP activities continued their involvement and training under the CRDA Program. Throughout the reporting period, a regular schedule of CDC meetings continued in all eight communities. In these meetings, the CDCs identified projects, discussed ongoing project monitoring activities and contributed to project implementation through cash and in-kind participation.

During the reporting period CHF CIDP team continued close collaboration and project review process with a Mayor Nagip Arifi of Bujanovac and his staff - for the Road M-25.3 project. In similar manner, involving Mayor Riza Halimi of Presevo and his staff as well as personnel of ElektroDistribucija Vranje (EDV), the Presevo Power project was coordinated.

CHF CDP staff continues to be an integral part of the coordination process in Southern Serbia, working closely with UNDP and other local and international NGOs.

Currently Contracted Activities:

Road Improvement M-25.3 Maintenance Bujanovac-Konculj (#11078):

Project involves road pavement improvements on 13.5 km long part of the road from Bujanovac town to Kosovo administrative border, and includes works through villages of Lucane and Konculj located in the former Ground Safety Zone. Project activities reached a substantial completion phase on November 30, 2003, with the road grand opening ceremony held on December 16, 2003. Final inspection, approvals, certificates and payments will be completed no later than March 31, 2004.

Electric Power Distribution Upgrade, Presevo Substation (#11079):

Project involves upgrading the presently existing Presevo substation enabling it to receive 110kV electric power. Works are scheduled for completion in Bujanovac (the supply end) and in Presevo (the receiving end). Existing overhead high voltage power line is already suitable to carry 110 kV. Project activities were rescheduled by contractor and are planned for completion on January 31, 2004. Final inspection, approvals, certificates and payments will be completed no later than March 31, 2004.

CHF invites USAID to review the Project Reporting System documents including reports and photographs entitled: Selected Reports and Projects to Date on the website www.web-prs.com. The CDP portion of this website provides detailed information and pictures concerning all aspects of both the program's development and each specific project. Reports generated from this project-tracking database can be viewed for the project as a whole and/or broken down within specific reporting periods.

Element #4: Performance:

The following are the accomplishments for the program to date:

1. Completed 39 projects in some of the most remote and politically contentious areas in the region (under CDP I).
2. 2 CDP II civil works projects continued (started on April 1, 2002, per modification to CA); activities originally scheduled for 18 months (end on September 30, 2003) were extended for additional 6 months (end of March, 2004). All physical construction activities on the M25-3 Road project (#11078) were completed during the reporting period. It is CHF's opinion that the contractor performed well and finalized extra works not included in the original contract. The Project grand opening, held on December 16, 2003, was attended by Republic of Serbia and US government officials. During the next reporting period a final inspection, approvals, certificates and payments are scheduled.

- The Power project (#11079) equipment delivery contracts were in progress with TP1, TP2 and TP3 packages delivered and assembled and TP5 reaching substantial progress at Presevo and Bujanovac sites. However, the delays on TP6 contract, ultimately caused by contractor's poor management but related also to earlier administrative barriers during the permitting process, forced the rescheduling of the project completion date for January 31, 2004.
3. 2 Cluster and 8 Community Development Council's (CDC) continued their evolution through ongoing meetings and training under CRDA Program. CDCs occupy a central part of the working process—identifying community priorities, aiding in the acquisition of project designs, participating in the bidding process, and in overseeing community contributions to projects. Community Project Committees (CPC) have been established in Lucane and Kenculj. They facilitated the citizens' support for the Road M-25.3 project passing through these two villages. Mayor Halimi of Presevo, his staff and personnel of ElektroDistribucija Vranje (EDV) serve as CPC team for the Presevo Power project.
 4. Prior to commencing works, CHF organized public announcements, alerting inhabitants of Bujanovac and Presevo municipalities about upcoming activities and requesting collaboration and patience. Both projects received substantial local media coverage.

Element #5: Statement of Work:

CIDP program implementation process continued to reveal the desperate need for and priority given to infrastructure improvements throughout the Presevo Valley. The geographical area covered by this program is remote and it remains a politically contentious part of Serbia, as demonstrated again through increased political and social tension over the reported quarter. A new unrest in the area and repeated acts of violence against police became a serious security concern, specifically in the immediate vicinity of the M25.3 Road project construction, near the Kosovo administrative boundary. Considering these conditions CHF continued to monitor the security situation in the area and views the CIDP program and all CDCs inter-ethnic activities to be highlights not only of the program but of activities throughout Southern Serbia during this reporting period.

Progress on both CIDP II projects continued to focus on: 1) working with Republic of Serbia Government agencies on technical approval issues for both the Road and the Power projects, 2) managing contractual commitments, project execution and problem solving during implementation of construction works on both projects, and, 3) monitoring budgetary issues, after receiving valid financial commitments, with Serbian Government and institutional partners on both projects.

Specifically, in October works continued on all five contracted parts of the road M-25.3 improvements (Project No. 11078). The contractor completed the base asphalt layer of 6 cm on the entire length of road (instead of specified 4 cm). The finish layer of 4 cm asphalt was started on Part 4. Existing culverts were cleaned and eight new culverts were placed under the road. A substantial amount of rocks around check points were detonated and cleared, making room for an additional lane for the police inspection of truck traffic. Asphalt of sidewalks in the community of Kenculj was completed and initiated in Lucane.

CHF monitors daily progress and works especially between contractor and designer in order to find the best solution to problems that arise during works execution and to be better situated to respond to additional technical provisions requested by the municipality or communities. The CHF CIDP team continued to meet with Coordination Body representatives and contractor management to mobilize necessary efforts and expedite work execution.

The Upgrading Power Substation in Presevo (Project No. 11079) permitting process reached its final stage on October 24, when a construction permit issued on September 23 became valid. Unfortunately, Energoprojekt Oprema, the TP6 contractor, continued to fall behind on an earlier agreed project timetable and CHF management, in attempt to salvage the project, conducted a series of meetings with contractor's management, involving EPS representatives and FIDECCO consultants. As a result of these consultations, EPO guaranteed "substantial" completion of works by November 30th 2003, and provided a new and revised timetable to CHF illustrating details of plan to complete works, testing and certification by December 20th 2003. Civil works at the Presevo site reached 50% of completion, with 0.5% of electrical works done. Civil works at Bujanovac site reached 82% of completion, with no electrical works done. No works were completed on overhead lines. During last week of October, the 110/10 kV Transformer (TP1) and 110 kV Equipment (TP2) were delivered to Presevo and Bujanovac sites and erected.

In November, "Putevi" Uzice, the contractor for the Road M-25.3 project, reported substantial completion of all contracted works. However, due to several change orders that were introduced during the contract, there were more tasks to be finished before the road could be officially opened. The works on checkpoint lighting was started under the subcontract to "CREDO" company from Vranje. Also, the widening of three narrow and deteriorated box-culverts, not included in the original contract, was in progress. Finally, the problem of power poles located close to the road in Kenculj has not been solved yet. A solution (relocation of poles) is under consideration through CRDA funded activities.

Energoprojekt Oprema (EPO), the contractor for substation project #11079, fell further behind the schedule, even though, as a result of an October 14 meeting between CHF and EPO, the timetable was adjusted giving the contractor more space to work out problems. During November, equipment commissioned under TP1 and TP2 contracts was connected and prepared for testing. CHF arranged additional insurance coverage with Durnav Insurance Vranje, at additional cost to the project, for all equipment on site not covered under TP6 contract, since EDV, the property user, was unable to assume this responsibility.

During the first half of December all contractually scheduled and extra works on the road M-25.3 (project #11078) were completed. The road opening ceremony was held on December 16, 2003 in Lucane, attended by Serbia Deputy Prime Minister Covic and members of Coordination Body joined by Bujanovac local government and politicians. CHF Serbia management and representatives of the US Embassy and USAID. The event was well covered by national and local media.

In early December CHF and EPO agreed to accept January 31, 2004 as the new end-date for project completion of the Presevo Power Upgrade project. Civil works for the TP6 contract were 95% completed. TP3, implemented by "Minel FEPO Industry" Zrenjanin, delivered and assembled the 10 kV switchgear cells inside the control building at the Presevo site. The connecting works remained for January completion. The TP5 contractor delivered the two remaining protection cubicles to the control building at the Presevo site. The TP6 contractor delivered the main electro-mechanical design, incomplete, there were two books missing. Planning power shut-down for specific works was again delayed by the TP6 contractor.

At the end of the reporting period and over the life of the program 40 projects have been completed. The first of CDDP II projects, the Road M-25.3 (#11078) Pavement Improvements, reached the substantial contract completion in December and had its grand opening, attended by Serbian and US government officials, on December 16, 2003. However, the timetable on the second CDDP II project, the Presevo Power Substation Upgrade (#11079), had to be adjusted to allow more time for finishing the field works and the main electro-mechanical design. The contractor's confirmed a new project completion deadline as January 31, 2004. The latest contract delays were caused by the contractors' poor management, as well as earlier administrative hindrances from Serbian government agencies during the project's permitting process.

CDDP I - Projects Completed:

	Job No.	Village	Project	Cluster
1	11001	Klenike	Green Market Study	Bujanovac
2	11002	Presevo	Animal Market Study	Presevo
3	11003	Bujanovac	Ice Removal Emergency Assistance	Bujanovac
4	11004	Presevo	Ice Removal Emergency Assistance	Presevo
5	11010	Levasoje	School sanitary facility rehabilitation	Bujanovac
6	11011	Zuzeljica	Water supply to 59 houses	Bujanovac
7	11012	Lopardince	Bridge renovation	Bujanovac
8	11013	Oravica	Road renovation to D.Susaja	Presevo
9	11014	Bujanovac/Karakarka	Electric power distribution & transformer	Bujanovac
10	11015	Presevo/Kula	Transformer expansion	Presevo
11	11016	Presevo/Markovo Kale	Electric power distribution & transformer	Presevo
12	11019	Oravica	Internal road improvements	Presevo
13	11020	Klenike-Sveta Petka	Electrical Power system rehabilitation	Bujanovac
14	11021	Klenike-Kustica	Electrical Power system rehabilitation	Bujanovac
15	11022	Zuzeljica	Street lighting installation	Bujanovac
16	11024	Nesalce	School construction completion	Bujanovac

17	11029	Depece / Presevo	Road to Ukmernost rehabilitation	FGSZ
18	11030	Crnotince	Internal road rehabilitation	Presevo
19	11033	Trnava	Road rehabilitation / asphaltting (south)	Presevo
20	11035	Ljiljance	Telephone system installation	Bujanovac
21	11039	Oslare	Road rehabilitation to Nessake + internal	Bujanovac
22	11040	Oslare	Cleaning river	Bujanovac
23	11041	Levosaje	Cleaning river	Bujanovac
24	11042	Ljiljance	Electrical Power system rehabilitation	Bujanovac
25	11053	Levosaje	School construction expansion	Bujanovac
26	11059	Rajince	Electrical power supply HV improve	Presevo
27	11063	Presevo Town	Cemal Selim Street renovation	Presevo
28	11064	Presevo Town	Tefik Selimi Street renovation	Presevo
29	11065	Presevo Town	Save Kovacevic Street renovation	Presevo
30	11066	Cerevajka/Presevo	Cerevajka School repairs	FGSZ
31	11067	Bujic/Presevo	Bujic School septic system repairs	FGSZ
32	11068	Presevo+Bujanovac	Seed and Tool distribution	FGSZ
33	11068/2	Bujanovac	Seed and Tool distribution	FGSZ
34	11069	Bujic/Presevo	Road Drainage for school	FGSZ
35	11070	Karadak area/Presevo	Emergency shelter delivering (ph 1-2)	FGSZ
36	11072	Karadak area/Presevo	Emergency shelter materials (38 houses)	FGSZ
37	11073	Karadak area/Presevo	Electric meters and breakers replacement	FGSZ
38	11076	Klinovac	Computer Lab Equipping	Bujanovac
39	11077	Ljiljance	Water Main Construction	Bujanovac

CDP II - Projects Completed:

	Job No	Communities	Project	Cluster
1	11078	Bujanovac-Lucane-Konculj	M-25.3 Road Pavement Improvements	Bujanovac

CDP II - Projects Ongoing:

	Job No	Communities	Project	Cluster
1	11079	Bujanovac-Presevo	Presevo Power Substation Upgrade	Presevo

CIDP 1 - Projects Completed:

	Job No.	Village	Project	Cluster
1	11001	Klenike	Green Market Study	Bujanovac
2	11002	Presevo	Animal Market Study	Presevo
3	11003	Bujanovac	Ice Removal Emergency Assistance	Bujanovac
4	11004	Presevo	Ice Removal Emergency Assistance	Presevo
5	11010	Levosje	School sanitary facility rehabilitation	Bujanovac
6	11011	Zuzeljica	Water supply to 59 houses	Bujanovac
7	11012	Lopandince	Bridge renovation	Bujanovac
8	11013	Oravica	Road renovation to D. Susaja	Presevo
9	11014	Bujanovac/Karakacka	Electric power distribution & transformer	Bujanovac
10	11015	Presevo/Kula	Transformer expansion	Presevo
11	11016	Presevo/Markovo Kale	Electric power distribution & transformer	Presevo
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13	11020	Klenike-Sveta Petka	Electrical Power system rehabilitation	Bujanovac
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15	11022	Zuzeljica	Street lighting installation	Bujanovac
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17	11029	Depce / Presevo	Road to Ukrement rehabilitation	FGSZ
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19	11033	Trnava	Road rehabilitation / asphaltting (south)	Presevo
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21	11039	Oslare	Road rehabilitation to Nesake + internal	Bujanovac
22	11040	Oslare	Cleaning river	Bujanovac
23	11041	Levosje	Cleaning river	Bujanovac
24	11042	Ljiljance	Electrical Power system rehabilitation	Bujanovac
25	11053	Levosje	School construction expansion	Bujanovac
26	11059	Rajince	Electrical power supply HV improve	Presevo
27	11063	Presevo Town	Cesulj Street renovation	Presevo
28	11064	Presevo Town	Tafik Selim Street renovation	Presevo
29	11065	Presevo Town	Savo Kovacevic Street renovation	Presevo
30	11066	Cerevačka/Presevo	Cerevačka School repairs	FGSZ
31	11067	Bujic/Presevo	Bujic School septic system repairs	FGSZ
32	11068	Presevo+Bujanovac	Seed and Tool distribution	FGSZ
33	11068/2	Bujanovac	Seed and Tool distribution	FGSZ
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35	11070	Karadak area/Presevo	Emergency shelter delivering (ph 1+2)	FGSZ
36	11072	Karadak area/Presevo	Emergency shelter materials (38 houses)	FGSZ
37	11073	Karadak area/Presevo	Electric meters and breakers replacement	FGSZ
38	11076	Klinovac	Computer Lab Equipping	Bujanovac
39	11077	Ljiljance	Water Main Construction	Bujanovac

CIDP II - Projects Completed:

	Job No	Communities	Project	Cluster
1	11078	Bujanovac-Lucane-Konculj	M-25.3 Road Pavement Improvements	Bujanovac
2	11080	Lucane-Konculj	Konculj Power and Lucane Lighting Improvements	Bujanovac

CIDP II - Projects Ongoing:

	Job No	Communities	Project	Cluster
1	11079	Bujanovac-Presevo	Presevo Power Substation Upgrade	Presevo



USAID/Yugoslavia

American Embassy
Kneza Milosa St
11000 Belgrade, Yugoslavia
Phone: (381 11) 845-635
Fax: (381 11) 361-8267

March 10, 2002

Scope of Work

Modification and Extension of Grant # 169-A-001-00119-00

Background

Presevo and Bujanovac municipalities are among the most underdeveloped and economically stagnant in Serbia. While progress is being made in many areas, weak infrastructure, overwhelmed and understaffed local governance, economic paralysis, and latent ethnic tension still characterize the remote area along the Kosovo border.

Economic activities, which depend on critical roads, electrical and irrigation systems for economic efficiency, such as agriculture, wood, metal, and nonmetal production, continue to decline with neglect of infrastructure and services. Even with the lifting of international economic sanctions, the few viable exports, such as vegetables and textiles, have had little success re-entering international markets. Decades of corruption had a profound effect on the region contributing to the entrenched economic malaise.

On March 29, 2001 USAID awarded CHF International a grant of \$2,449,878 to support the Community Infrastructure and Development Program (CIDP) in the municipalities of Bujanovac and Presevo. CHF Yugoslavia staff began program set-up and operations activities through the establishment of offices in the municipalities of Vranje, located just north of Bujanovac, and Presevo. The overall goals of the 12-month program are of improving infrastructure, increasing civic participation, developing democratic community processes, stimulating dialogue across ethnic lines and contributing to an improved economic environment. To date the CHF CIDP team has identified more than 55 community-based, high-priority infrastructure and economic development projects, 31 initiated and 14 completed. CHF has committed \$1,015,173.07 and leveraged matching & in-kind contributions from local communities, municipalities, public utilities and citizens totaling \$1,231,368.

While progress has been made in southern Serbia many observe that it has been too little and too slow. In late May 2001, after intense negotiations, the armed conflict that existed in the municipalities of Presevo, Bujanovac and Medvedja and the Ground Safety Zone, was brought to an end. The *Peinski Obruč* or district is the southernmost, least developed and most politically contentious region in Serbia. Presevo and Bujanovac, two of the seven municipalities that make up the district, are among the most underdeveloped and economically stagnant in Serbia. Weak



infrastructure, an overwhelmed and sometimes unresponsive local governance, economic paralysis, and ethnic tension characterize the remote municipalities along the Kosovo administrative boundary.

Despite nearly a year of relative peace and limited progress in the "Presevo Valley", current infrastructure and public service in the target municipalities remain underdeveloped and in poor condition. Electrical distribution systems and roads require urgent upgrade, reconstruction, and repair to begin providing basic services to a large portion of this ethnically mixed region at a standard consistent with most areas of Serbia.

The infrastructure rehabilitation being done under the Southern Serbia grants (CHP implemented by CHF in Presevo and Bujanovac, and S&CRP implemented by Mercy Corps in Medvedja, Leskovac, Lebane, and Kursumlija) and the work being done under CRDA focus on user level infrastructure (low voltage electric lines, water distribution systems, access roads, etc). However the effectiveness of infrastructure designed to serve the user directly is limited by the capacity of the supply infrastructure (high voltage electric transmission and substations, water supply systems, and feeder roads for instance). Recognizing this constraint USAID commissioned Parsons Inc. to undertake an assessment of large infrastructure needs in the region. High voltage transmission capacity, water supply, wastewater treatment, main transport routes, and solid waste disposal were cited as major constraints to development and upgrade projects identified, assessed, and costed. A USAID review of the assessment identified two projects, upgrade of the main electric transmission line to Bujanovac and Presevo and the main transport route between Bujanovac and Kosovo, as being sustainable and cost-effective, and having the broadest impact. Based on this assessment \$4 million of funding has been earmarked from FY02 SEED funds to implement these critical large-scale infrastructure projects. Given the fragility of the peace in this area it is imperative therefore that USAID move forward quickly to implement this program. As indicated in the attached action memorandum competition has been waived to allow this program to be implemented by CHF who is already working in the area.

Scope of Work

This activity involves the realization of two objectives:

1. The upgrade of the existing electric transmission line from Vranje to Presevo from 35kV to 110kV service
2. Repair of the road from the Kosovo administrative boundary to Bujanovac through Konculj.

The grantee will be responsible for provision of all necessary technical and management capacity to realize the above objectives. Upgrade of the transmission



line between Vranje and Presevo is a priority of Elektrodistribucija Vranje. The line is constructed to handle 110kV capacity but lacks essential substation works. Design and engineering of the required works has been done by ED Vranje but will require review and possible revision to update specifications and tailor the design to focus only on objective 1. The crossing point of the Kosovo administrative boundary near Konculj is the primary transport route for commercial and private traffic between Kosovo and the Presevo/Bujanovac area. The road is a winding two lane road through the mountains straightening out as it crosses the plain at Bujanovac. The road was not designed to be a major transport route and as a result requires substantial maintenance. To the extent permitted by funding, objective 2 will be to repair areas of the road most in need and to improve road safety through the towns.

Design: The grantee will be responsible for all design and engineering, tender, construction oversight, and commissioning of the works. To the extent necessary grantee will provide technical review capabilities and construction oversight to ensure the works are designed and constructed according to international standards and meet all local regulations. While care must be taken to meet local specifications, design of the rehabilitation works should take into account current technology and strive to incorporate it where it is cost-competitive, improves efficiency, contributes substantially to reduced maintenance or operation costs, or extends substantially the life of the works. Where applicable the works can be viewed as pilot or model works intended to demonstrate improved practices but only if shown to be cost effective.

Construction: Where possible design, engineering, construction, and/or oversight should be undertaken using local resources (private engineering and construction firms as well as equipment, supplies, and staff of the electric utility and road department). Given that the works are upgrades of existing facilities it is expected that sufficient local resources are available to undertake the majority of the work. If new or unfamiliar technology is to be introduced non-local materials and technical assistance may be required. In these cases the program can incorporate technical assistance or training.

Permits: Design and construction should be undertaken in close coordination with relevant local authorities. In the case of the electric work these are Elektrodistribucija Vranje as the cognizant regional electric authority, Elektroprivreda Srbije as the investor and owner of electric facilities, and the Ministry of Energy as the cognizant government regulatory body. In the case of road works it is the Municipality of Bujanovac and/or the regional road authority. In all cases other relevant Yugoslav authorities should be coordinated with as necessary.

Environment: All works must be designed and constructed in accordance with U.S. environmental regulations (22 CFR 216) and be in compliance with local environmental requirements. Before proceeding with construction of any works



grantee must conduct an environmental assessment to identify negative environmental impacts and determine actions necessary to mitigate those impacts. Design requirements, construction practices, monitoring, or other actions determined to be necessary will be incorporated into grantee management practices or tender documents for implementation by the contractors.

Time Frame: Estimated time frame for this activity is 18 months. An extension will be granted as necessary however given the importance of this activity to reinforcing political reform the grantee should make every effort to complete the activities within the specified time frame.

Budget: Estimated budget for USAID funding is \$4 million. It is expected, though will not be required, that the government of Serbia, through the relevant local authority, will contribute substantially to the program through cash or in-kind contributions.

1. *Moore Budget*
2. *Proposed FY*
3. *Project Name: Modification Invoicing & Billing: 10/01/1999/2000*
4. *Cost Center Number*
5. *Project Dates: Modification of 10014 commitments*
6. *Contract Number*
7. *Original Budget of Contract in 10/01/1999*
8. *Total amount of award to date*
9. *Total released LSP amount by 09/30/2000*
10. *Number of 10/01/1999 Committed to Contract*
11. *The total contract funds released on Oct 1, 2000*
12. *Contract Narrative at the Life of the Project*

15 Total Bridges for FY 2011 (over from prior) (line 30 below)

Sutton Life at Niagara 2014Sutton Life at Niagara 2014

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 444 5500000000 10000000000

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 5/20/2008 4:54

Boxed Text

.....
 2008/04/25

Bank Center, Grand Tower, 16 Floor
Bucharest 1044, Hungary
Phone: 35-1-473-4814
Fax: 35-1-488-3200

To: Mr. Michael Doyle From: Ashraf Soss

Ref: 301.587.7915 Date: March 28, 2001

Phone: Pages: 3 Including cover

Re: C.A. 169 A. 02-01-00119 02 00

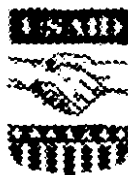
☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Dear Mr. Doyle,

I am attaching a copy of the
Cover letter of the subject agreement, I
am also attaching the whole agreement
to an e-mail sent to you.

Upon signature please fax me back a
copy of the page with your signature.
Thanks & regards

USAID



U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT
REGIONAL SERVICES CENTER
for Europe and Eurasia

23 MAR 2001

Michael Doyle
President
Cooperative Housing Foundation
6601 Georgia Avenue, Suite 800
Silver Spring, MD 20910

Subject: Award No. 169-A-00-01-00118-00

Dear Mr. Doyle:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby grants to the Cooperative Housing Foundation herein after referred to as "CHF" or "Recipient", the sum of \$2,449,378 to provide a program to support the Community and Infrastructure Development Program in, as described in the Schedule of this award and the Attachment 2, entitled "Program Description".

This award is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending 03/31/2002. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This award is made to CHF, on condition that the funds will be administered in accordance with the terms and conditions as set forth in 22 CFR 226, entitled "Administration of Assistance Awards to U.S. Non-Governmental Organizations"; Attachment 1, entitled "Schedule"; Attachment 2, entitled "Program Description"; and Attachment 3 entitled "Standard Provisions."

Address in Hungary or International:
Bank Center Granite Tower
Szabadság tér 7-9.
H-1044 Budapest

Address from United States:
American Embassy, Budapest
Department of State
Washington, D.C. 20521-0000

Telephone: (36-1) 475-4804 Fax: (36-1) 302-0893 or 302-0720

42

Please sign the original and each copy of this letter to acknowledge your receipt of this award, and return the original and all but one copy to the Agreement Officer.

Sincerely,

Orion Yeandel
Agreement Officer
RCO/Budapest

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED: CBF

54: _____

File: _____

Data: _____

Budget Detail			Year 1		USAID Total	2001	2001	2001	2001	2001
Line Item	Object Class Categories	Unit	Rate (\$)	Qty		April	May	% to date	Allocated Exp.	Funds remaining
Personnel										
Program Management/General Administration										
Expatriate Staff										
1	Chief of Party (50%) - Belgrade	Months	4,000	8.0	24,000	2,000	2,500	17%	0	20.00
2	Program Manager - Vranje	Months	5,000	12	60,000	0	0	0%	0	60.00
3	Project Coordinator - Presero	Months	4,000	12	48,000	0	3,000	6%	0	45.00
Subtotal Expatriate Staff					141,000	2,000	5,500	6%	0	134.00
Local Staff										
4	Finance Officer - Belgrade	Months	1,500	11	16,500	1,400	1,500	12%	0	12.60
5	Logistics Manager - Belgrade	Months	800	11	8,800	664	750	18%	0	7.35
6	Office Manager - (50%) Belgrade	Months	750	5.5	4,125	347	350	17%	0	3.42
7	Program Officer - Belgrade	Months	750	11	8,250	460	575	14%	0	7.31
8	Accountant - Vranje	Months	600	11	6,600	66	500	3%	0	6.01
9	Project Engineers - (2) Vranje + (2) Presero	Months	600	44	26,200	630	2,388	11%	0	21.18
10	Outreach Coordinators - (2) Vranje + (2) Presero	Months	600	44	26,400	783	1,500	9%	0	24.12
11	MIS Manager - Belgrade	Months	1,200	11	13,200	463	550	10%	0	11.68
11	Admin. Assistants (2) - Vranje + Presero	Months	500	22	11,000	218	250	4%	0	10.52
12	Security Guards - (2) - Vranje + Presero	Months	200	22	4,400	0	0	0%	0	4.40
13	Drivers/Messengers (3) - Belgrade + Vranje + Presero	Months	350	33	11,550	395	400	7%	0	10.75
Subtotal Local Staff					148,025	3,463	10,188	11%	0	120.39
CNF HQ Support										
US-Based Staff										
14	Director, Field Program Management	Days	329	6	2,574	858	0	25%	0	1.97
15	Director, Office of Emergency Management	Days	315	10	3,150	315	0	10%	0	2.81
16	Program Manager	Days	315	15	4,725	1,575	0	13%	0	3.15
17	Program Officer	Days	188	25	4,725	945	0	20%	0	3.78
18	Program Support Officer	Days	146	15	2,190	438	0	20%	0	1.75
Subtotal CNF HQ Support					17,424	3,927	0	23%	0	13.69
Subtotal Personnel					366,449	11,293	15,188	8%	0	278.48
Fringe Benefits and Allowances										
Fringe Benefits										
19	Agency Package (66 US Paid and Expatriate Staff)	41%			65,250	820	2,050	4%	0	62.23
20	Fringe Benefits, Country National Staff	15%			21,604	818	1,525	11%	0	18.55
21	Services, Country National Staff	10%			14,603	546	1,017	11%	0	12.03
Allowances (incl. H&R)										
22	Airfare (Chief of Party - Belgrade)	Lump sum	2,000	1	2,000	0	0	0%	0	2.00
23	Per diem (Chief of Party - Belgrade)	Days	167	21	2,507	0	0	0%	0	2.50
24	Storage (Chief of Party - Belgrade)	Month	100	12	1,200	0	0	0%	0	1.20
25	Shipping (Chief of Party 50% - Belgrade)	Lump sum	5,000	0.5	2,500	0	0	0%	0	2.50
26	Airfare (Program Manager - Vranje)	Lump sum	2,000	1	2,000	0	0	0%	0	2.00
27	Per diem (Program Manager - Vranje)	Days	167	21	3,507	0	0	0%	0	3.50
28	Storage (Program Manager - Vranje)	Month	100	12	1,200	0	0	0%	0	1.20
29	Shipping (Program Manager - Vranje)	Lump sum	5,000	1	5,000	0	0	0%	0	5.00
30	Airfare (Project Coordinator - Presero)	Lump sum	2,000	1	2,000	0	0	0%	0	2.00

21	Permit (Project Coordination - Present)	Days	21	167	3,507	0	3,507	6%	182.12
22	Storage (Project Coordination - Present)	Months	12	100	1,200	0	1,200	0%	1.00
23	Shipping (Project Coordination - Present)	Lump sum	1	5,000	5,000	0	5,000	0%	5.00
24	Housing & Utilities (Cost of Ferry 50% - Design Month)	Months	5.5	1,000	5,500	500	5,500	10%	4.90
25	Housing & Utilities (Program Manager - Design Month)	Months	11	800	8,800	744	8,800	15%	7.46
26	Housing & Utilities (Program Manager - Present Month)	Months	11	800	8,800	182	8,800	2%	8.61
Subtotal Benefits and Allowances									
					167,417	3,369	6,016	6%	182.12
Travel (one one-way)									
27	International Airfare	Flights	15	2,000	30,000	770	30,000	3%	19.23
28	International Trip Per Diem	Days	131	157	20,567	0	20,567	0%	11.87
29	Local/Inter-city Travel Cost	Flights	15	1,000	15,000	256	15,000	100%	4
Subtotal Travel									
					54,817	1,126	3,130	3%	57.02
Equipment & Furniture									
30	Vehicles	Unit	4	32,000	128,000	0	128,000	0%	128.00
31	Computers	Lump sum	8	1,500	12,000	2,146	12,000	87%	10.81
32	Peripherals	Lump sum	7	500	3,500	266	3,500	17%	73
33	Fast Makers	Lump sum	7	250	1,750	234	1,750	45%	27
34	Productivity	Lump sum	2	2,000	4,000	1,148	4,000	28%	2.85
35	Telephones	Lump sum	5	100	500	130	500	26%	17
36	Cellular Telephones	Lump sum	8	150	1,200	387	1,200	80%	14
37	WHS Radio: 2 Base Station + Vehicle Units	Lump sum	4	1,500	6,000	0	6,000	0%	6.00
38	Work Stations and Chairs	Lump sum	10	500	5,000	2,676	5,000	81%	94
39	File Cabinets	Lump sum	8	100	800	650	800	100%	73
40	Futon/Recliner	Lump sum	5	250	1,250	307	1,250	73%	24
41	LED Power Supply	Lump sum	8	75	600	368	600	91%	23
42	Generator (2) - Battery Power	Lump sum	2	2,500	5,000	0	5,000	0%	5.00
Subtotal Equipment & Furniture									
					183,400	11,127	5,443	100%	148.12
Contract									
43	Baseline Survey/Technical Assessment	Days	10	300	3,000	0	3,000	0%	3.00
44	Program Evaluation	Days	10	300	3,000	0	3,000	0%	3.00
45	Construction Supervisor	Days	20	300	6,000	0	6,000	0%	24.00
46	Construction Development	Projects	16	60,000	960,000	0	960,000	0%	866.36
47	Program Audit	Days	15	275	4,125	0	4,125	0%	4.12
Subtotal Contract									
					1,252,126	0	0	0%	122.489
Other Operating - Field									
48	Office Rent & Utilities (20% - 100% Yearly Month)	Months	11	2,500	28,500	2,841	28,500	9%	25.05
49	Office supplies	Months	11	250	2,750	872	2,750	46%	1.47
50	MIS/Project Travel	Lump sum	1	12,000	12,000	0	12,000	0%	12.00
51	Office Telephone Installation - (2) Yearly, Free Lump sum	Months	1	1,000	1,000	0	1,000	0%	1.00
52	Mobile Telephone Service	Months	11	1,000	11,000	226	11,000	14%	9.50
53	Software & Licensing (incl. Project Tracker and Lump sum)	Months	1	6,000	6,000	0	6,000	0%	6.00
54	Communications-LandSat Phone (3) Incl. Vsat Month)	Months	1	1,000	1,000	0	1,000	0%	1.00

65	Printing & Copying	Month	150	11	1,650	73	41.4	29%	0	1.15
66	Postage, Delivery & Courier	Month	100	11	1,100	66	2	6%	0	1.03
67	Vehicle Rental - (2) Vans, Passens	Month	2,500	7	5,000	1,000	4,200	104%	0	-20
68	Vehicle Operating Costs & Insurance (4 VEH)	Month	2,000	10	20,000	232	845	6%	0	18.82
69	Vehicle Repair, maintenance & spare parts (4)	Month	800	8	8,400	2	0	0%	0	5.80
70	Office Equipment Repair/Maintenance/Insurance	Month	300	10	3,000	0	64	2%	0	2.93
71	Banking fees	Month	500	11	5,500	20	92	2%	0	5.38
72	Translation and Legal Services	Month	1,000	6	6,000	544	547	18%	0	4.31
73	Advertising	Month	100	6	600	495	32	65%	0	7
74	Publications/Manuals	Month	500	11	5,500	15	61	1%	0	5.40
75	Temporary Help	Month	300	6	1,800	300	658	50%	0	24
<i>Other Operating - HQ</i>										0
76	Communications	Month	150	12	1,200	0	0	0%	0	1.00
77	Printing & Copying (office)	Month	150	12	1,200	0	0	0%	0	1.00
78	Postage, Delivery & Courier	Month	150	12	1,800	0	0	0%	0	1.80
<i>Subtotal Other Operating</i>					135,800	4,512	14,684	73%	0	116.72
79	Total Direct Charges				2,939,875	32,952	40,760	4%	302,609	1,867.37
80	Total Direct Charges for Overhead Application				2,939,875			0%		2,939.87
81	Indirect Charges per NCR-6	39.92%			416,000			8%		416.36
TOTAL					3,445,875	32,952	40,760	2%	302,609	2,696.60

Acronyms – Abbreviations

BCHR	Bujanovac Council on Human Rights
CDC	Community Development Councils
CIC	Community Improvement Councils
CIDP	Community Infrastructure and Development Program
ECMM	European Union Monitoring Mission
GSZ	Ground Security Zone
FPM	CHF's Office of Field Program Management
FRY	Former Republic of Yugoslavia
ICRC	International Committee of the Red Cross
IDP	Internally Displaced Persons
MSF	Medicins sans Frontieres
NATO	North Atlantic Treaty Organization
NGO	Nongovernmental Organization
OEM	CHF's Office of Emergency Management
OSCE	Organization for Security and Cooperation in Europe
OTI	Office of Transition Initiatives
PRS	Project Reporting System
UNHCR	United Nations High Commission for Refugees
UNDP	United Nations Development Program
UN-OCHA	United Nations Office for Coordination of Humanitarian Affairs
USAID	United States Agency for International Development
USG	United States Government

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Executive Summary

The Cooperative Housing Foundation (CHF) proposes the 12-month Community and Infrastructure Development Program (CIDP) to improve infrastructure, increase civic participation, and generate employment in the Presevo and Bujanovac municipalities. CIDP will fund 16 medium-scale infrastructure improvement projects through a unique, demand-driven community participation methodology. CIDP is poised for immediate start-up.

In early March 2001, CHF's research and development team examined the feasibility of infrastructure projects and met with municipal leaders, community representatives, and security specialists. The 18 infrastructure projects, with an average size of \$86,000, will unfold in three distinct, evolutionary phases:

CIDP creates visible results in an area with demonstrated need

Six infrastructure projects will be completed within three months of signing a contract

Fast Track Start-up (months 1-3): Act immediately to complete six infrastructure projects and form Community Development Councils (CDCs).

Revitalize Civic Participation (months 4-8): Create two geographic clusters, complete eight additional projects, and lay a foundation for increased efficiency in the economic sector, and

Foster Economic Development (months 9-12): Target economic development through the infrastructure improvement projects.

**At the end of 12 months
CIDP will have generated**

- 18 Infrastructure Projects
 - At least 540 person months of employment
 - 6 Community Development Councils
 - At least \$ 625,000 of in-kind contributions
-

The program will also produce a *Technical Feasibility Study* for large infrastructure projects, mapping of community systems, and a quarterly newsletter documenting success.

CIDP's community-based approach will generate substantial *in-kind community contributions*. Based on similar programming experience, CHF anticipates as much as \$2 of match to \$1 of program funds. Contributions – as well as progress and impact – will be monitored through *Project Tracker MIS*, an innovative grant tracking

management software developed by CHF and now sold around the world.

Security and coordination will remain critical, and CIDP will anticipate the stabilization of the Ground Security Zone (GSZ). Because the needs within the buffer zone are great, a special *GSZ Reserve Fund* will provide resources for at least 4 projects.

The CIDP management team combines technical acumen with unsurpassed programming capabilities; two international staff and security and technical consultants are ready to act. CHF has established an office in Belgrade with one international and four national staff.

Research and development for CIDP was driven by CHF's Office of Emergency Management (OEM). During the two-week preprogram field assessment, CHF/Serbia Chief of Party Tim Madigan and OEM Representative Rich Wagner spoke with village leaders, government officials, sector specialists, and international organizations to adapt CHF's proven methodology to this turbulent region.

CIDP will be managed from a program office in Vranje with a sub office in Presevo to effectively diffuse possible ethnic rivalries. A small office in Belgrade will access timely security and international activity as well as liaise with USAID, national authorities, technical specialists, and large contractors.

To implement CIDP, CHF requests the following support:

*CHF provides
solutions for
complex challenges*

*CIDP has been
designed specifically
for Southeastern
Serbia with technical
support from CHF's
Office of Emergency
Management*

Personnel	\$ 471,504
Operating Costs	\$ 373,545
Project Grants	\$ 1,262,500
Indirect Costs	\$ 392,102
Total	\$ 2,499,651

1 Background

Presevo and Bujanovac municipalities are among the most underdeveloped and economically stagnant in Serbia. Weak infrastructure, lack of a responsive local governance, economic stagnation, and ethnic tension characterize the remote area along the Kosovo border.

1.1 Problem Statement

1.1.1 Weak infrastructure and public services

Current infrastructure and social service in the target municipalities remain underdeveloped. Sewage systems, roads, markets, and all other support services have been virtually ignored since 1989.

Water and sewage systems, a pre-identified need from CHF's March 2001 field trip, are particularly underdeveloped. Furthermore, local officials have indicated that the region is prone to hepatitis and other health epidemics.

Infrastructure development projects require technical know-how as well as financial resources. In meetings with the Director of Public Works and representatives from public water companies in the Presevo municipality, CHF learned that limited educational opportunities as well as "brain drain" to Kosovo and abroad are the root cause of the technical skills lack.

"We do not have experts in our region to create potable water systems, sewage systems and other public works"

-- Director of Public Works

Presevo Municipality

1.1.2 Lack of a responsive, effective local governance

The autocratic Milosevic regime stymied civic participation as political cronyism and corruption dominated political life. A state-controlled media provided little room for dialogue, and local political parties were squelched.

Although the September 24, 2000 elections have brought change, the legacy of Milosevic's regime remains. Not surprisingly, rural areas such as Presevo and Bujanovac have made the least progress to date.

USAID's Office of Transition Initiatives (OTI) has begun the formation of Community Improvement Councils as a remarkable first step toward increased civic participation, and CHF will build on their work through CIDP's community participation methodology.

1.1.3 Economic stagnation

Presevo and Bujanovac are among the poorest municipalities in Serbia. In 1989, the average salary for the Pcinjski region (seven municipalities including Presevo and Bujanovac) was around \$400 per month. Today, the estimate is close to \$60 per month¹.

Economic activity includes agriculture, wood, metal, and nonmetal. Agricultural production, which depends on roads and irrigation systems for economic efficiency, has declined with neglect of infrastructure and services. The few exports, such as textiles, have been blocked by the international economic sanctions leveraged against the country. Corruption has further entrenched economic malaise.

1.1.4 Disenfranchised population

Populations in many former command economies are overcome by a sense of helplessness; external economic sanctions and internal neglect has magnified the problem for Presevo and Bujanovac residents. Since 1989, the lack of initiative has risen since internal investment dwindled, and the current political transition makes it increasingly important to demonstrate practical results at the grassroots level.

1.1.5 Ethnic tension

The 1999 NATO action against Serbia has inadvertently created new inequalities. While Presevo and Bujanovac municipalities suffered from negligence and economic malaise, the neighboring province witnessed a rebirth with the international community pouring millions of dollars into infrastructure and reconstruction.

"Serb police and ethnic Albanian rebels have been fighting for more than a year in the GSZ, a buffer zone set up in Serbia alongside the Kosovo border"

-- Reuters,
March 12 2001

CHF's research and development team interviewed neutral observers, such as MSF Belgium, USAID-OTI, UN-OCHA, and UNHCR, and found that investments in Albanian communities was at a level significantly below that of Serbian villages, a situation which became even more acute during the 13 years of the Milosevic regime.

At the time of press, ethnic tension centered around military occupation of the GSZ. Albanian groups have voiced opposition to Serbian troops patrolling this 5 km wide buffer zone. Although ethnic Albanian leaders ultimately accepted NATO's endorsement of Serbian patrol, both populations remain on guard.

¹ Annual income figures from Mr. Goran Mitrovic, President of Narodni Parlament, a local NGO based in Leskovac City.

2 Program Design and Technical Approach

CIDP targets a chronically neglected and conflict ridden area of Serbia, Presevo and Bujanovac Municipalities. The program's purpose is multifaceted: to improve area infrastructure, stimulate economic development, reduce ethnic tension, and increase the capacity of local governance.

The design is based on the work of CHF/Serbia over the past four months, including multiple field-based research and development trip to ascertain community infrastructure and development priorities in the two target municipalities. Our rapid response framework factors in the tumultuous security conditions and inherent constraints of working in a conflict zone.

2.1 Program Goals and Objectives

Program Goal: The CIDP will implement 18 medium-scale infrastructure development projects that stimulate economic growth and improve local governance.

To accomplish the goal, CIDP will meet the following objectives:

Objective #1 – Improve Infrastructure: Implement 18 medium-scale public infrastructure projects; 9 per region and with 6 complete within the first 90 days of operation;

Objective #2 – Increase Civic Participation: Form and/or strengthen 6 Community Development Councils (CDCs)² to prioritize and select infrastructure projects through CHF's capacity building approach;

Objective #3 – Generate Employment: Create 540 person months of employment through infrastructure project implementation;

Objective #4 – Diffuse Ethnic Tension: Stimulate dialogue among representatives from Serbian and Albanian groups with the CDC framework; and

Objective #5 – Disseminate Strategic Information: Document best practices and raise awareness through a regional Technical Feasibility Study of large infrastructure and a public awareness campaign.

2.2 Rationale

CHF's mission, history and capabilities correspond directly to the CIDP's goal and objectives, and in particular CHF's emphasis on post-conflict sustainable development. Similar activities of CHF International, from post-war Lebanon and

² This objective builds on the work of USAID's Office of Transition Initiatives to form Community Improvement Councils for increased civic participation.

Kosovo to the jungles of Guatemala's Ixcán, provide an ideal foundation for CIDP.

The CIDP design has been customized to meet the specific development needs of Presevo and Bujanovac municipalities. During the past four months, CHF's research and development team learned that:

2.2.1 The target municipalities demonstrate specific need

During the research and development field assessment in March 2001, CHF learned that the Presevo and Bujanovac municipalities would most benefit from:

- A multi-ethnic approach that reduces tension;
- Projects that ensure short-term economic gain and long-term opportunity;
- "Bridge building" projects that reward communities sharing resources; and
- Quick impact from community driven projects that empower residents.

South East Serbia is among the least developed areas within Serbia. Interviews with municipal officials and the Yugoslavian Taskforce for Stability in the Presevo Valley revealed that investments in infrastructure have lagged significantly behind other regions of Serbia. Independent sources such as MSF Belgium, USAID-OTI, and UNHCR further confirmed that economic investments in ethnic Albanian communities have been significantly lower than in ethnic Serbian villages. The discrepancies have estranged ethnic Albanians; the recent conflict in Kosovo only exacerbated the sentiment.

2.2.2 CHF's proven strategy addresses area challenges

The CIDP's basic design corresponds with local conditions by providing:

- Democratically managed services;
- Sustainable infrastructure development with a focus on employment generation;
- Visible community projects promoting goodwill and interaction;
- Demand-driven, flexible projects; and
- A multi-sectoral focus for international coordination.

These critical factors are inherent in the CIDP methodology.

2.3 Methodology

CHF will accomplish CIDP objectives through a cluster committee model adapted to fit the peculiarities of Southern Serbia. The model has been proven effective in war torn rural communities throughout the world.

The approach is multi-faceted and responsive to community needs. It promotes civic participation, multi-ethnic cooperation, and local economic integration.

2.3.1 Community Development Councils

CHF will implement projects through elected *Community Development Councils (CDCs)*. CDCs consist of informal and formal leaders in the Presevo and Bujanovac "Clusters." This clustering approach (see text box) is based upon CHF's worldwide experience, demonstrating that the most effective way to stimulate dialogue is to focus on tangible results impacting all parties.

The CDCs play an integral management role during project implementation. Each CDC member not only assists CHF in the identification of the projects, but takes an active, value-added role in:

- Building local constituencies;
- Forging local partnerships;
- Leveraging local funds/resources; and
- Providing management oversight.

In addition, members of the CDCs are actively encouraged to advise on the cultural and political impact and assume leadership roles in legitimizing projects and marketing success.

Through a participatory process, the CDCs identify, prioritize, and select applicable, high impact projects that are both demand driven and relevant to local opportunities and constraints. In the early stages, CHF supports this work through outreach, training, and monitoring. Facilitation of the CDC self-management and implementation capacity remains the focus, and CHF's initial supervisory role (particularly with budgeting, procurement, technical planning) ensures that best practices are applied in the months to come.

2.4 Program Impact

CHF offers the following impact indicators based on the types of projects, CHF worldwide experience, and local conditions. As fieldwork continues and the

Cluster: a group of communities in a limited geographic area

Clusters ensure sustainability and equity of services through a critical mass of people.

Clustering also allows multi-ethnic communities to share sectoral resources through a technical assistance process.

Clustering ultimately builds linkages which leads to broader regional strengthening.

operating environment shifts, CHF will keep USAID informed of any effects to the program's impact indicators.

- 6 CDCs formed;
- 18 completed infrastructure improvement projects;
- 36,000 direct project beneficiaries;
- at least 60,000 indirect beneficiaries;
- 18 communities directly impacted;
- 540 person months of employment generated;
- 450 person months of training provided;
- 100 people demonstrating applied knowledge;
- 10,000 people accessing improved environmental water systems;
- 30,000 people accessing improved infrastructure; and
- 20,000 people accessing improved economic infrastructure.

As the Program develops, these indicators can be broken down to track the specifics of each category. CHF's Program Reporting System (PRS) will account for the exact indicators that USAID desires. Also, additional reports can be produced that meet USAID's demands and expectations.

2.5 Implementation Plan

CHF proposes an evolutionary, three-phase approach to program implementation. This strategy allows for immediate, highly visible results and provides a framework for economic growth.

Phase I: Fast Track Program Start-up, during months 1 through 3, will capitalize on a short term window of opportunity to affect lasting, positive change. Six high impact projects will demonstrate USAID's commitment to improving the quality of life for area residents.

Phase II: Revitalize Civic Participation, during months 4 through 8, will increase CDC capacity to manage larger, more cross-cutting projects, and develop the cluster approach.

Phase III: Foster Economic Development, during months 9 through 12, will focus on infrastructure projects facilitating regional economic growth and integration.

2.1.1 Phase I – Fast Track Program Start-up

For Phase I, CHF has assembled a list of pre-screened projects identified during its start-up assessment (See Annex F). This prescreening has positioned CHF

for immediate technical evaluation, confirmation, and approval of the first six projects.

Local municipal authorities, local village "leaders," and international groups undertaking technical assessments in the target municipalities identified the prescreened projects. The projects are respectful of the Civic plan for South East Serbia.

At the same time, CHF will form pilot councils and implement a minimum of six high impact infrastructure projects.

After identification of community leaders and council members, the pre-screened projects will be presented to nascent CDCs. Although Phase I projects must be implemented rapidly, final approval will rest with the CDC to ensure ownership over project outcomes and build trust and legitimacy among CDC constituents³.

Project Selection

Although selection criteria will evolve over the life of the program, some basic qualities will initiate pilots and provide a foundation for project implementation. Hence, each and every project should strive to:

- Impact multiple villages,
- Include an in-kind match by the local community,
- Receive written approval from the CDC,
- Address critical, cost-effective community infrastructure or socio-economic needs,
- Provide a detailed technical plan and be feasibly accomplished within 30 to 60 days,
- Demonstrate due diligence and develop official maintenance agreements and plans with local authorities, national authorities, and the CDC, and
- Generate jobs for the local population(s).

Projects in Bujanovac will strive for positive impact on both Serbian and Albanian ethnic groups; they would also be approved in consultation with the BCHR. Additionally, "un-official" priority will be given to projects that are highly visible, leverage smaller scale investments initiated by OTI, and promote continuity

Phase I will:

- Implement six highly visible projects,
 - Form six nascent CDCs based on the work of USAID-OTI, and
 - Document local capacity and regional infrastructure needs
-

³ CHF has identified extensive demand at the village and town level for small to medium scale projects (\$40,000 - \$100,000) in the target municipalities. Receptiveness to CHF's proposed intervention, including CDC formation and project selection, was also strong. CHF met with Serbian Municipal Governmental Officials and ethnic Serbian and ethnic Albanian village representatives; all imparted a sense of urgency for moving forward with visible projects. Additionally, Serbian governmental officials voiced concern for conditions within the GSZ and frustrations about their inability to assist. CHF's \$300,000 GSZ Reserve Fund will move swiftly when the zone becomes stable.

between other USAID (OTI and the USAID Mission) and other donor-supported initiatives.

Council Membership

The CHF Field Manager with assistance of local community mobilizers will begin establishing CDCs immediately, although priority will be given to pilot project implementation. Community outreach meetings will be held in each cluster to promote the program and elect candidates.

Although councils will be democratically elected, committee membership will be approved by CHF based on criteria, including:

- Significant representation by women, or a dual structure to include women;
- A range of sector specialists;
- No more than 8-10 members per council; and
- No more than 2 local government representatives;

Like the project selection criteria, council activity and formation may be modified based on the opportunities and project challenges at hand. For instance, based on past experiences, CHF has found that in similar situations two councils needed to be formed (given gender, cultural or political constraints) in order to implement one project. CHF expects that visible success will build momentum and engage the local population in future projects.

Phase I Program Deliverables

A detailed GANTT chart can be found in the appendix. Core deliverables for Phase I of CIDP are summarized below:

- Six medium-scale community infrastructure projects (three per municipality) completed by the end of month three,
- Infrastructure and Contractor Assessment Report conducted and completed by the end of month 2 which will analyze the feasibility of larger community infrastructure projects (\$200,000 - \$1,000,000),
- Six CDCs established with significant training and orientation taking place in month one,
- Community mapping activities initiated, including the prioritization of small, medium, and large scale socio-economic infrastructure projects by month three,

Technical Feasibility Study

CHF will produce a Technical Feasibility Study documenting local contractor capacity to implement large scale infrastructure improvement projects

- Selection of the second group of projects takes place and preparation begins for Phase II,
- Complete and distribute a newsletter detailing process and success by month three,
- Tap into the development network and when appropriate provide strategic information and leadership, and
- Develop a Public Awareness and Information Outreach plan by month One.

2.1.2 Phase Two – Council Development and Strengthening

Phase II will strengthen CDCs and increase civic participation. A second round of 8 projects will commence during months four to seven.

<hr/> <p>Phase II will:</p> <p>Implement eight highly visible projects,</p> <p>Empower six CDCs to self-select and manage projects, and</p> <p>Promote CIDP through six ribbon cutting ceremonies</p> <hr/>	<p>Phase II will forge partnerships between CDCs to increase potential for regional projects. Additionally, management skills of CDC members will increase to more effectively implement projects.</p> <p>CHF anticipates separate CDCs for ethnic Serbs and Albanians, especially during Phase I. Exceptions may be found at the village level. Depending upon the political environment and level of trust between ethnic communities, Phase II may forge interdisciplinary ties between the councils. With increasing competence in addressing local needs, CHF can link the two communities with projects that have a vested interest.</p>
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CHF will coordinate with the OTI field office in Nis. The CIDP will build synergies within the CIC framework, and furthermore, draw upon the regional expertise of the BHCR as a means of promoting effective and applicable dialogue.

CHF believes that in spite of the tensions, some dialogue exists. However, ethnic Albanian villages and representatives mainly voice their opinions through interlocution at the BCHR, and steadfastly refuse a dialogue with municipal officials. CHF met with ethnic Albanian representatives dealing directly with the Civic task force on regional solutions.

Phase II will also see a consolidation of management roles between CHF and the CDCs as delineated in the proceeding *Summary of Management Roles* chart.

Summary of the Management Roles	
CHF	CDCs
<ul style="list-style-type: none"> • Organizer • Trainer • Technical Design and Project Supporter • Analyzer • Mediator • Mobilizer • Liaison with Government • Promoter • Project Monitor 	<ul style="list-style-type: none"> • Community Liaison • Local Government Coordinator • Project Surveyor • Decision Maker • Project Manager/Implementer • Resource Provider/Mobilizer • Sustainability/Maintenance Monitor • Local Information Disseminator • Project/Program Promoter

Project Deliverables, Phase II

- Identification, prioritization, and project planning by CDCs for eight projects, with technical support from CHF;
- Implementation of eight high-impact, visible projects; Projects will strive for multi-ethnic impact and economic and social integration;
- Community development and basic training for clusters on project management, community outreach, project planning, and budgeting;
- Completion of a technical mapping processes outlining local and regional infrastructure priorities (e.g. sewage systems, water systems, transportation networks, health clinics, market centers, or solid waste disposal sites), by month four.
- A minimum of six ribbon cutting ceremonies with a mixture of local and international groups, press, community members and others.

2.1.3 Phase III

Projects identified and implemented in Phase III will have economic impact. A third round of four projects will commence during months eight to twelve.

CHF's team met with municipal and village leaders and learned that community infrastructure development is viewed as a pre-requisite to economic development. CHF believes that ethnic tension is reduced through sustainable economic linkages between conflicting parties.

Phase III utilizes research gathered in Phases I and II to implement economic projects that transform shared resources into economic gains. Examples of such projects may include:

- Agricultural and market access
- Roads connecting communities
- Construction of market centers
- Improved electrical systems
- Food processing centers
- Vocational training centers
- Slaughterhouse and meat packing centers
- Cold storage units
- Irrigation network construction

CHF currently has two full-scale business development programs in Eastern Europe and the NIS, and can provide business consultants for technical feasibility, assessment, and business planning expertise to small and medium size efforts. Additionally, CHF/Azerbaijan's proven methodology of business association development can be adapted to fit the cluster context in Serbia.

Phase III may see development of regional cluster councils from existing CDC members. Regional cluster councils identify, plan, and support region-wide implementation projects. It is envisioned that after month twelve the regional cluster council will work with CHF/USAID and act as a liaison between the local municipalities and the communities. Additionally, this regional council will be able to solicit support from several local and international coordinating bodies. Finally, the regional CDC will have greater capacity to implement larger, more complex projects.

Project Deliverables, Phase III

- Two cluster wide committees established by month eight.
- Four economic development projects researched, analyzed, and implemented between months eight and 12.

Case Study: CHF/Lebanon

Ez Zekbi water project built a reservoir and installed 15 Km of pipe, providing clean drinking water to five villages.

Ez Zekbi provides an example of ethnic reconciliation: The project is co-managed by two tribal families that fought each other during the civil war for control over the region's scarce resources.

For almost four months, CHF field officers traveled between the village CDCs as a mediator and messenger. As the ground broke for construction, councils praised results.

Soon, self-nominated council representatives attended their neighbor's meetings. After project completion, five villages and two previously antagonistic families formed a common regional committee to oversee project sustainability.

2.6 Additional Implementation Issues

2.6.1 Security

Security will remain a primary concern throughout the program. Both municipalities have been active conflict zones, with the area around and within the GSZ holding the greatest risk. Tensions remain high, and a substantial presence of Yugoslav Army forces and special police units can be seen throughout. Landmines are another concern in and around the GSZ.

The top priority for CHF is the safety and security of program staff. At the time of press, there has been a notable decrease in active conflict. While this situation will hopefully remain and improve, CHF operations will enforce diligent security protocol.

During the assessment stage of the project, CHF tapped insightful security information and established basic protocol to ensure personnel safety, including consultation with:

- Juri Usakov, Senior Security Advisor, UNHCR
- Bill Tole, UN Representative for SE Serbia
- The lead of the USG Interagency Task Force for SE Serbia
- The Defense Attache attached to the Taskforce
- The Head of the International Committee of the Red Cross (ICRC) Francios Stamm (ICRC has regular movements within the GSZ)
- Col. Strankovic, Chief of Police for the SE Serbia Region including Presevo and Bujanovac.
- Alex Mackenzie Smith, Bujanovic Officer in Charge for the European Community Monitoring Mission (ECMM)
- Sergei Koryak, Medical Coordinator for MSF-Belgium operations in SE Serbia

Coordination Mechanisms – CHF has established a daily security brief via telephone with Col. Strankovic, to tap Serbian Police knowledge of the operating environment and any incident reports. CHF also arranged weekly in-person briefs with Col. Strankovic and our Vranje Program Director to maintain dialogue. Finally, CHF will obtain daily briefs from the UNHCR Security Officer and the ECMM Representatives in both municipalities as well as a reporting system on CHF movements and activities.

Internal Communications – Mobile phones are not effective in many regions of both municipalities. On the advice of the UN, CHF will install a VHS mobile communications and have two portable satellite phones. A base station will be established in both Presevo and Vranje, and CHF will respect UN communication protocols and link with their network.

Movement – CHF has established linkages with police units at a regional and municipal level. Travel in vehicles will be clearly marked with large CHF stickers or flags, and plate numbers will be registered with local authorities. No movement to any village location approaching the GSZ will be allowed without clearance and assurances from the ECMM and the UN that the route is clear of mines.

CHF will advise Serbian security liaison officers of movements, and travel will be prohibited on secondary roads which are not confirmed as secure by the CHF Security Advisor consultant or Program Manager. Four-wheel drive vehicles are essential to the project given the incredibly poor conditions of the secondary road network, arguably the worst in all of Serbia including Kosovo.

2.6.2 Coordination

Mayors, municipal and village officials from Presevo and Bujanovac, the Director and Board Members of the Bujanovac Council for Human Rights (BCHR), and Representatives from the Civic working group for Presevo Valley have been consulted during the research for this proposal. Additionally, representatives of USAID/OTI, regional and national level security officers for the UN, monitors from the European Community Monitoring Mission, and representatives from the newly formed USG Interagency Taskforce have encouraged CHF to implement the CIDP.

Existing Coordination Mechanisms – At this stage, coordination structures are in formation. CHF participated in critical discussions with regional actors to support a concrete coordination structure. This process will continue, and coordination will remain central to the success of the project.

To maximize impact of community infrastructure investments, the UN has notified us that they will be opening an interagency office for SE Serbia, most likely led by UNDP, with a potential role for UNHCR to address repatriation assistance. UN-OCHA will coordinate and humanitarian assistance and other UN activity, and CHF will remain connected to coordination systems to foster joint planning to maximum impact.

Avoiding Duplication – We have also been in a dialogue with the EU about upcoming projects through the Towns for Democracy and Schools for Democracy program, and joint coordination of investments and program direction is moving forward and is viewed as critical.

At this stage, only USAID-OTI has begun community development activities. This project proposes to build upon and expand those relationships to maximize impact and provide continuity of approach.

The Civic Plan – Finally, and perhaps most importantly, the Yugoslav Government's Civic plan will support of the international community as they strive toward ethnic dialogue and development efforts. Ethnic Albanians view this as a step forward, and CHF will link project activities and support the plan as advised by USAID.

2.6.3 GSZ Community Infrastructure Reserve Fund

Community Needs in the GSZ – During CHF's research and development trip in March 2001, municipal leaders from Presevo and Bujanovac voiced concern over the urgent community needs in the GSZ. Additionally, discussions with the UN Representative for SE Serbia, areas of the GSZ bordering Macedonia (Presevo Municipality) suffered the most extensive damage to housing and infrastructure.

Lack of Tangible Assistance – International interventions, with the exception of ICRC's basic humanitarian response and UNHCR's assessment efforts on housing damage and protection, have been absent from GSZ since the Kosovo conflict of 1999. Recent political settlements, including an even-handed response and subsequent withdrawal of Serbian security forces in the GSZ, may induce rapid change.

In anticipation of political settlement, CHF proposes \$300,000 in direct project funds to be held in reserve for the first 6 months of the 12-month program.

Reserve Fund Strategy – Should a political solution and security conditions permit entry into the 5 km-wide buffer zone, CHF proposes the following:

1. An emergency assessment team, lead by CHF's Office of Emergency Management, will conduct a rapid field study of community infrastructure and humanitarian needs in the GSZ.
2. CHF/Yugoslavia Chief of Party would consult with USAID on a weekly basis for guidance on the use of the funds to respond to an emergency situation or implement an infrastructure improvement project in the area;
3. Community infrastructure investments in the GSZ will be coordinated with UNHCR and prioritized for the stability and repatriation of IDPs; and
4. Within 30-days of the settlement, CHF/Yugoslavia Chief of Party will report to USAID on the status of the funds and effects on the proposed implementation strategy.

If a settlement is not reached or GSZ access remains insecure the fund will be programmed in municipal areas accessible to CHF.

3 Management

3.1 Organizational Structure

Southeastern Serbia's evolving political, social, and security situation poses unique management challenges. CHF proposes a management structure to perform quickly and effectively under difficult logistical circumstances. CDP organization will include:

- Rapid startup of a Program Office in Vranje and a Field Office in Presevo, to enable engineers and community development coordinators to establish councils, identify projects and document success;
- Four implementation teams, with one engineer and one outreach coordinator per team, to ensure quality and reduce ethnic tension;
- Team management by two field-based international staff: a Program Manager in Vranje and the Project Coordinator in Presevo;
- Coordination through a Chief of Party in Belgrade (and the two field-based international staff) with municipal officials, village-level leaders, national leaders, NGOs, UN agencies, security liaison officers from Serbian security forces, ECMM, OSCE, and the USG Interagency Taskforce.

The Program Manager in Vranje answers to the Belgrade-based Chief of Party and takes responsibility for all program implementation. The Project Coordinator manages Presevo operations, supports Bujanovac in Albanian communities, and reports to the Project Manager in Vranje.

An organization chart can be found in Annex A.

3.1.1 Chief of Party – Belgrade

CHF maintains an office in Belgrade where the Chief of Party will devote at least 50% of time toward coordination, reporting, management, and program deliverables. The Chief of Party will be actively involved in program setup, establishing essential logistical and reporting systems necessary to reach program goals.

The Chief of Party will also be directly involved in identifying projects, establishing community councils, and overseeing implementation in the field. He insures compliance with all USAID and US Government regulations regarding tenders and contracting, as well as timely, accurate and informative reporting to the mission.

The Chief of Party will work closely with the Program Manager as projects are identified, implemented, and completed according to schedule. The Chief of Party will maintain close communication within the international and local communities on all security issues.

3.1.2 The CIDP Program Office – Vranje

Vranje provides an ideal location as the primary field office for two reasons. Firstly, the UN will establish a Vranje-based interagency office for SE Serbia, and coordination for repatriation of IDPs from the GSZ will be driven from that office. CHF will also coordinate with UNDP – also based in Vranje – regarding future regional developmental. Vranje serves as an information point for SE Serbia and other NGOs are based there. Secondly, field assessments indicate that Bujanovac is less secure than Vranje. Thus our smaller team in Vranje will be easier to evacuate should the security situation become unstable.

Program Manager – an international Program Manager will manage CHF's Program Office in Vranje. This infrastructure and program implementation specialist, who will also live in Vranje, will manage day-to-day program implementation and oversee the Presevo Field Office through frequent visits and meetings of engineering and community development staff in Vranje. During Fast Track Program Startup, the Program Manager will work closely with the Chief of Party.

Regional Monitoring and Coordination – Project identification and approval will require the Program Manager to travel frequently throughout Bujanovac and Presevo municipalities, as well as periodic trips to Belgrade. The Vranje office will be the base for Serbian staff, but biweekly meetings among the Vranje and Presevo offices are planned over the life of the project.

Field Office Systems and Procedures – The Program Manager will work closely with the Presevo-based Project Coordinator to ensure that systems, policies and procedures are effective and standardized.

Managing Implementation Teams – The Vranje-based Program Manager and the Presevo-based Project Coordinator will establish four implementation teams consisting of Serbs and ethnic Albanians. These teams will bring technical and community development skills to implement projects and advance the goals of the program.

Monitoring – CHF will install the Program Reporting System in Vranje to manage and report the identification, approval, and completion of projects. This database provides a technological solution to the often time consuming task of reporting on program progress.

3.1.3 The CIDP Suboffice – Presevo

The importance of a Presevo-based suboffice is twofold. Firstly, because the Presevo population is majority Albanian, operating solely from the Serbian dominated Vranje would exacerbate ethnic rivalries. Secondly, management will avoid tremendous interoffice politics inherent in an ethnically divided staff.

Project Coordinator – The Presevo Project Coordinator will live and work in the municipality of Presevo, an area with a majority of ethnic Albanians. The Project Coordinator will travel frequently to Bujanovac and Vranje and report directly to the Program Manager in Vranje.

Security for all program staff and beneficiaries is a priority to CHF Management. The Presevo Project Coordinator will be responsible for coordinating with the Program Manager on a daily basis for security and program planning purposes. Although subject to change, the current security situation requires the Presevo Project Coordinator to live in Vranje and commute daily to the Presevo field office.

Presevo Implementation Teams – Within the project staff, two implementation teams will ensure rapid progress toward project completion and council

formation. Primary responsibilities include the establishment of a functioning, transparent system of project identification, selection, approval, contract compliance, and completion.

3.2 Key Personnel

Successful implementation of the project requires a highly skilled staff capable of providing a combination of technical, financial, grassroots networking and management expertise. Each of the key staff persons selected for the proposed program has been carefully selected by CHF and comes to the program with both significant regional knowledge of and directly relevant work experience.

3.2.1 Program Management

Chief of Party – Timothy M. Madigan

Tim Madigan has effectively managed complex programs in challenging international settings. His country experience includes Bosnia and Herzegovina, Kosovo, Poland, Vietnam, and the Czech Republic.

Mr. Madigan directed all aspects of the emergency response reconstruction program in Kosovo including human resources, program finance, procurement, and operations and logistics. Mr. Madigan designed a plan for rapid response to restore more than 1,000 houses with a local engineering team, and procured material and managed reconstruction of more than 800 houses in Mitrovica and Rahovec.

As a business financial expert, Mr. Madigan has specialized in strengthening private enterprise and facilitating privatization processes. His familiarity with Bosnia and Herzegovina, where he was responsible for a community-based business development program, provides an excellent foundation for work in Southern Serbia. An experienced program director, Mr. Madigan started and managed multimillion dollar emergency response-type programs in the provinces of Bosnia and Kosovo.

Program Manager – Wojciech (PLEASE INSERT/NEED CV FROM HQ)

3.2.2 Consultants

Startup Specialist – Richard P. Wagner

The CIDP field assessment team and project design was led by the CHF Office of Emergency Management (OEM). Team Leader for this assessment was OEM's program representative Richard Wagner. Prior to joining CHF, Mr. Wagner worked for 2 years (3/98 – 3/00) in both Serbia and Kosovo as a Program Officer and Field Officer for USAID's Office of Foreign Disaster Assistance (OFDA). In that capacity Mr. Wagner was responsible for OFDA's emergency programs in the American Sector of Kosovo including municipalities bordering on both Presevo and Bujanovac, municipalities in Kosovo characterized by mixture of both Albanian and Serbian communities. This experience provides

CHF an excellent perspective and understanding of the security implications and cultural dynamics and approach in implementing this program. Mr. Wagner has over 10 years experience working predominately in conflict settings has a Masters Degree in Public Administration.

Mr. Wagner's role on this project will be to assist in the program set up, integrate CHF programming into the broader international effort, and advise the Vranje and Presevo Program Director and Coordinator on the local situation and initiate council formation. Additionally, as a sector specialist in transition programs to accelerate stability to conflict affected regions, Mr. Wagner will coordinate with the UN interagency working group, based in Vranje on repatriation strategies for displaced persons, predominantly in the GSZ, examining ways through which USAID resources for community infrastructure can assist UNHCR efforts to repatriate persons back to their villages. He will also help train staff on community organizing strategies and security protocols in both municipalities.

Community Development Specialist – James Weatherhill

Mr. Weatherhill worked for over 2 years in Kosovo and Serbia for Catholic Relief Services, USAID-OTI, and the USAID Office of Foreign Disaster Assistance, and for the OFDA's Disaster Assistance Response Team as a Field Officer in the Prizren region. His experience linking relief to development with both Albanian and Serbian communities corresponds directly to the CIDP objectives. He is fluent in Albanian and speaks basic Serbian. Mr. Weatherhill is currently pursuing a Masters Degree from Columbia University's School of International Affairs specializing in complex emergencies, refugee, and migration issues.

Mr. Weatherhill will help CHF link Phase 1 with Phase 2, where CHF's emphasis shifts from rapid implementation to community participation. He will work closely with all CHF field teams, training them in community organization and linking infrastructure investments with economic revitalization. During Mr. Weatherhill's 18-month tenure with OFDA-DART, he worked closely with Bill Tole, the UN's Coordinator for SE Serbia based in Vranje. Mr. Weatherhill will coordinate CHF activity with UN efforts to promote stability in the region. His participation as a sector consultant will be over the summer period for 60 days.

Wat/San Technical Expert – Dr. Nikola D. Marjanovic

Dr. Marjanovic specializes in town and regional scale water and sewage systems. He holds a Ph.D. in Civil Engineering from the University of Belgrade and has studied engineering in the United States as a Fulbright Scholar at the University of California at Davis.

With more than 25 years of experience managing large-scale water and sewage systems throughout Yugoslavia, his established reputation and relationships among contractors and engineering firms, as well as his technical capacity, are extraordinary.

For the last 2 years, Dr. Marjanovic served as the lead technical director for Oxfam, implementing water and sanitation projects from \$5,000 to over

\$1,500,000. Additionally, Dr. Marjanovic was recently contracted by UN-OCHA to conduct water and sanitation assessments in the Municipalities of Presevo and Bujanovic, and provided CHF with a great insight during the research and development trip.

Dr. Marjanovic's role will be the development the technical feasibility study for larger scale infrastructure projects in both municipalities. Additionally, Dr. Marjanovic will conduct regular trainings for CHF Project Engineers in Vranje and Bujanovic. Finally, Dr. Marjanovic will coordinate activities with local municipal public works officials, contractors, and national authorities.

3.3 Role of CHF Headquarters

The structure of headquarters' management for overseas programs is clear and well established. The CIDP will be placed under the supervision of CHF's Office of Field Program Management (FPM), facilitating the coordination of this program with other similar efforts and the sharing of lessons learned for effective implementation. CHF/Headquarters (CHF/HQ) staff will communicate with CHF/Serbia several times weekly, providing financial and administrative support with the flexibility and the depth to react quickly to changes on the ground, and ensure rapid implementation and quality control.

3.3.1 CHF's Office of Field Program Management

The FPM staff provides the field with daily technical support, including performance monitoring, quarterly reports, technical analysis, and financial reviews. The team collectively brings a wide range of experience in engineering, urban & community planning, and management besides several years of experience in construction related work in the international arena.

The U.S.-based **Senior Program Officer** who will be supporting the program, Mathew Chandy, is an architect/urban planner who brings more than eight years of construction and international development experience to the program, including two years of in-country experience in India. Mr. Chandy was the program officer for the recently completed Kosovo Winterization Program in the ethnically divided city Mitrovica, as well as the Kosovo Construction and Employment Program. He will communicate with the field and provide daily technical support, including performance monitoring, quarterly reports, technical analysis, and financial reviews.

Mr. Chandy reports to Michel Holsten, Senior Program Manager, who will facilitate the sharing of experience between the program and CHF's activities in other countries. Mr. Holsten has extensive domestic and international development experience. He opened and served as the first Chief of Party for Peace Corps in Panama from 1991 to 1993 and subsequently as Chief of Operations for Peace Corps Latin America and Caribbean program. For PLAN International, Mr. Holsten developed sustainable housing finance programs through partnerships with and strengthening of local formal and semi-formal financial institutions. He reports to Franck Daphnis, Director of Field Program

Management, who will review the program on a bi-weekly basis, particularly given the high profile, rapid response, and security required by the program. Mr. Daphnis reports to the Vice President.

A staff member from CHF's accounting and financial management team will be responsible for implementing CHF's standardized financial control system. The system will meet program standards and accurately record program expenditures. It is the responsibility of CHF's Controller, in cooperation with the Program Officer, to monitor the fiscal reporting and cash management processes. Both the staff accountant and the Controller report directly to the Chief Financial Officer (CFO).

In addition to the program management team, CHF will draw as needed on CHF/Kosovo and CHF/Romania who are familiar with this region and have successfully implemented similar community economic development programs. CHF allows its specialists working in other regions or countries to provide technical support to other CHF programs.

3.3.2 CHF's Office of Emergency Management (OEM)

Security will remain a primary concern throughout the program, and CHF's Office of Emergency Management, led by emergency response expert Rick Hill, will directly support CIDP.

Security protocol and communication networks will be essential. Both municipalities have been active conflict zones, with the area around and within the GSZ holding the greatest risk. Tensions remain high, and a substantial presence of Yugoslav Army forces and special police units can be seen throughout. Landmines are another concern in and around the GSZ.

In-country Support for CIDP One of CIDP's startup consultants, Richard Wagner, will play a critical role in program development, especially in coordinating activity and establishing security procedures. Rich answers to Rick Hill, Director of OEM.

Technical Backstopping ~ OEM will provide management know-how and technical analysis for the program. OEM's skill base in emergency response delivery systems will be tapped in the event that the GSZ becomes liberated.

OEM also has a significant roster of security experts to call upon should the region become unstable.

4 Monitoring

In order to ensure that key deliverables are finished in a timely, high quality manner, indicators are on track and the program remains within budget, a variety of HQ backstopping takes place led by a regional Senior Program Manager and supported by a team of Program Officers. This team is also responsible for

identifying possible areas of concern and, in a team like fashion, bringing them to the Director of Field Program Management's attention. This support and review structure is facilitated by a variety of reports and assessments, some of which are included below:

- Monthly Finance and Program Report(s)
- Semi-Annual Site Visits by HQ
- Contract Reviews
- Semi-Annual Workplan Reviews
- Annual A-133 Audit
- Annual budgets, workplans, and annual executive reviews

Each Chief of Party maintains a great deal of autonomy, and responds to the needs and situations on the ground. As long as key FY deliverables are highlighted in both the program workplan and fiscal budget and adjustments made are within the spirit of the donor-funded agreement⁴, no additional approval must be sought from HQ.

4.1 Program Monitoring Methodology

The CIDP management structure is similar to other cluster approach models. The Chief of Party will have full autonomy to select and approve projects in consultation with USAID, and he will have a cadre of professionals who can develop, review, approve and, monitor technical plans.

Before approval, each project must be submitted with budgets, memorandums of understanding, technical plans, procurement quotes other required documents. The finance manager, program manager, and Chief of Party are all responsible for signing an approval form. Once approved, a project summary is entered into CHF's Project Reporting System (PRS) allowing for effective follow-up and management.

A CHF field officer visits the project site a minimum of twice a week. Technical experts visit project sites typically no less than weekly, and Program Manager visits the committee and project site at least once every two weeks.

The Program Manager is in daily consultation with the Chief of Party who decides, in consultation, on additional follow-up and courses of action. As the project evolves from the start-up to implementation, to completion stages, information is tracked and edited in the PRS to reflect the most up-to-date level of funding, impact, and more.

⁴ Detailed instructions and guidelines are outlined in CHF's three policy manuals: Employee, Finance, and Operations.

4.1.1 Project Reporting System

CHF has a patented monitoring database and reporting system that it was sold to USAID/Lebanon and its umbrella consortium for over \$20,000. The system tracks each individual project as a record. Within the record are various fields of pertinent information (project status, project indicators, size of grant, contribution size broken down by in-kind and in-cash, activity type, project description, baseline information, etc. etc), all of which are solicited during the project assessment cycle via an easy to use project description/baseline form.

Once in the system, a variety of reports can be produced letting managers and donors know everything they need to know in regard to project management, control and refinement. For instance, summaries on total impact, lists of all projects, matching contribution reports, list of next steps for projects not-completed, and several other reports can be generated with a click of a mouse. This not only increases the efficiency of the overall operation, but allows for a great deal of quality control in all aspects of project management since information can be tracked and verified on a cyclical basis.

Key aspects of the report generation system include:

- Detail summary lists printed out by project or location
- Compilation reports on regional activity
- Compilation reports by project activity type
- Program as a whole reports or broken down by specific time periods
- Linkages with pictures in HTML format for posting to the web and high quality presentations

Benefits of the system include a tremendous reduction in staff time and an incredible amount of increase reliability and quality in reporting. For instance, if USAID asks CHF,

"Exactly how many projects CHF has done in Region X, between dates Y and Z, what the value of those projects were, which ones are currently outstanding, what percentage of matching vs. in-kind contribution compared to USAID funds exist and what is the impact of those projects given USAID indicators?" or "how many improved water systems has the organization completed from dates A to B, and what is the number of people accessing this improved water."

CHF can produce this information within a moments notice. By contrast, without this tool, documentation may take hours. CHF's system can also demonstrate the integrity of data as it is entered over time.

5 Relevant Experience

CHF International's successful track record of programs similar to CIDP in Lebanon, Gaza, Azerbaijan, Guatemala, and throughout Central America demonstrate our ability to improve infrastructure, increase civic participation, and generate employment. Moreover, our worldwide and regional programming experience brings technical and management expertise second to none.

5.1 Community and Economic Development

In recent years, many national governments have retreated from their once-dominant role in economic planning and shifted their emphasis on laying the foundation for a market economy. However in many developing countries and transition economies, the benefits of a market economy have not trickled down to the community level. Increasingly, local communities find that they must shoulder

Since 1952, CHF has implemented community-based programs in nearly 100 countries. A "can-do" spirit and practical solutions that achieve tangible results characterize our work, and CHF has earned an international reputation for creative approaches to complex development challenges.

the responsibility for assisting their residents to find jobs, gain access to social services and meet their basic needs. This is particularly challenging for communities attempting to recover from the ravages of war, ethnic conflict or natural disaster.

The Cooperative Housing Foundation (CHF) mobilizes communities to meet their economic development demands. CHF builds upon the capacity of communities and community-based organizations to achieve positive impact on the ground. CHF is a worldwide leader in resource mobilization, program management services and technical assistance that are demand-driven to communities. Building on local strengths, CHF works with communities to assemble and coordinate the use of natural resources, productive skills, expertise and capital to achieve significant and lasting improvements that revitalize local economies.

Central to our philosophy is the belief that the community is the key stakeholder in sustainable economic development. Empowering active members of the community to develop, design, implement and maintain their own public projects ensures its sustainability. CHF has developed a successful mobilization strategy drawing upon a highly skilled cadre of professionals and a variety of tools and models that we draw upon to meet specific host-country needs.

CHF's core approach to community mobilization is:

- Focus on and achieve practical and tangible results that are the communities' priority;

- Raise awareness of "self-help" strategies and facilitate participation on the community level;
- Link lessons learned in community-based initiatives to national policies thereby promoting an enabling environment for community progress;
- Mobilize private resources, create alternative service mechanisms and facilitate public-private partnerships in responding to community projects.

The following program descriptions illustrate CHF's intensive approach to community mobilization.

5.1.1 Lebanon: Reconstruction and Economic Development Initiative

CHF's Reconstruction and Economic Development Initiative (REDI), funded by USAID, works with rural families in Lebanon to rebuild infrastructure and economies that have been destroyed by years of civil conflict. Through the REDI model, CHF is improving physical and social infrastructure in 58 communities in 6 separate regions of the country including 3 regions in the Bekaa Valley.

CHF manages programs through a "cluster committee" approach. Several villages comprise a cluster, so that regional, as well as local infrastructure solutions may be considered and prioritized. Each village within the cluster democratically elects a committee of formal and informal leaders to identify projects. To cultivate local capacity building and ensure sustainability, the project stipulates that local residents choose, manage, and contribute through labor or finance to their own projects. After project identification, the village committee mobilizes local resources, acquires bids and oversees construction and implementation.

CHF provides solutions for post-conflict challenges

CHF/Lebanon recently expanded the REDI program to include up to eight clusters in the conflict-ridden area of Southern Lebanon

CHF works with numerous villages along the Syrian border, which lack basic services. CHF brings together a diversity of community members to identify common needs and fosters reconciliation. For example, in one community where CHF works, low levels of trust and lack of interaction plagued a community without a potable water system. CHF convinced local leaders that the problem's solution might involve an integrated community plan. Once project construction began on a water system that would serve 2,500 homes through a pipe network, once disparate villagers began to recognize the utility in working together to achieve broader benefits.

The success of the REDI program also confirms that solicitation of local support for development projects strengthens community commitment. To date, more than 72 projects impacting over 50 villages have been completed with almost \$4 M of USAID funds and more than \$2 M of locally leveraged funds.

Key impacts of REDI include but are not limited to: 3,719 hectares of land served by improved irrigation systems; 5,368 families with access to potable water, including 1,168 clients accessing new markets; and 13 substantial community disputes resolved.

5.1.2 Central America: Local Environmental Policy and Program Initiative

The USAID-funded LEPPi program assists communities and local governments in 6 Central American countries pursue sustainable development strategies to overcome their most pressing environmental problems. CHF/LEPPi works with municipalities to produce tangible results – recycling centers, waste removal systems, landfills, and wastewater and sewage systems. Using risk analysis techniques, CHF/LEPPi collaborates with communities and municipalities to analyze their environment, prioritize their needs and develop solutions.

Locally organized and democratically run steering committees take the lead role in defining community priorities, planning and creating practical solutions to environmental problems. The steering committee ensures high levels of participation from the community. Committee members include individuals from government institutions, community-based organizations, NGOs, academic institutions and business. These collective voices propel municipalities to be more accountable to local environmental issues.

5.1.3 Guatemala: Communities in Transition (CIT)

Since 1996, CHF/Guatemala has empowered 93 communities in the remote, mountainous post conflict Ixcán province of northern Guatemala to decide upon their priorities and organize in order to gain access to education, health and economic opportunity. Three years after signing the peace accords, CHF has established one of the most successful development projects in the region. Working with indigenous tribal groups, persons displaced by the 15-year civil war, refugees returning from Mexico and the former members of the guerrilla armies, CHF has established a network of 20 community banks, created a democratically managed Road Maintenance Association, replaced 4 bridges, completed 24 infrastructure public works projects and rebuilt 128 kilometers of roads.

CHF facilitated the creation of a variety of local community associations and development corporations. The "can-do" approach and the threat of non-access to resources were successful in mobilizing the majority of the community people, many of whom were anxious to put the war behind them and to build a new democratic, responsive society.

5.2 Political Transition and Emergency Response

For the past 30 years, CHF has managed emergency and humanitarian response and reconstruction programs throughout the world. In each case, our programs helped meet immediate needs and built the foundation for long-term social recovery and economic development. Moreover, CHF has extensive

experience working during periods of civil unrest and economic uncertainty (Sudan, El Salvador, and Somalia), and in periods of political transition (South Africa, Haiti, Guatemala, and Palestine). CHF, as an organization, has made a commitment to assisting countries in transition. The following programs represent CHF's commitment to post-crisis programming around the globe.

5.2.1 Azerbaijan: Community Employment and Economic Opportunity Program

CHF currently manages two programs to stimulate post-conflict economic and community development. In May 2000, CHF initiated the \$ 1million Community Employment & Economic Opportunity Program (CEEOP) to create sustainable jobs and businesses, and improve business skills, particularly for internally displaced persons (IDPs). Activities include basic and advanced business training for close to 1000 small farmers and entrepreneurs, and technical assistance to individuals and farmer associations. In addition, the program produces a quarterly Market Research and Pricing publication and National Transportation and Trade Report.

5.2.2 Azerbaijan: Social Investment Initiative

In January 2001, CHF was selected to implement an additional \$5 million subgrant for the Social Investment Initiative Program, a program for infrastructural and economic development. The project aims to promote the integration of IDPs and refugees into the country's social fabric and economy, through grant-making, small infrastructure projects, and local capacity building. The project will rehabilitate economic and social infrastructure at the local level through community organization using a participatory approach.

5.2.3 El Salvador: Mitch Integrated Reconstruction Activity

USAID/Office of Foreign Disaster Assistance (OFDA) granted CHF \$3.35 million to build 8,000 temporary shelters for residents in the Usulután Department of El Salvador following the January 13, 2001 earthquake. Under a separate German Technical Cooperation (GTZ) contract, CHF will build 200 shelters in Santiago de Maria and the surrounding areas.

5.2.4 Haiti: Sanitation, Road Rehabilitation, Urban Development, Jobs Creation

Following the wide spread damage caused by Hurricane Georges in Haiti in 1998, CHF responded with the critical technical assistance farmers needed to repair and reconstruct damaged irrigation canals in Pérédôt. With less than \$60,000 of domestic capital and 16% community in-kind contributions, CHF and community members cleared sand and gravel blocking canals and rebuilt 200 meters, quickly restoring irrigation to 500 hectares of agricultural land on which the livelihood of area farming families depended. CHF/Haiti also organized and managed a complex logistics operation to provide the delivery of emergency

materials including galvanized sheeting for rooms, and construction lumber for 3,000 housing units, including their wholesale purchase, collection and transport to project site.

5.2.5 Kosovo: Construction and Employment Program

CHF's current program, the Kosovo Construction and Employment Program, generates income and employment for Kosovar families working in the construction sector. Technical assistance, training, and market research characterize this two-year, \$1.8 M program for post-conflict sustainable development.

5.2.6 Kosovo: Emergency Winterization Program

Working against a tight deadline to provide adequate shelter for 952 families before the worst of the winter weather set in, CHF provided warm-dry room kits and replaced or repaired the roofs of over 300 homes in Mitrovica damaged through war activities. Supervising the distribution and installation of heating stoves, floor insulating materials, windows and doors CHF worked with Kosovar families to meet their shelter needs within 90 days, simultaneously laying the basis for long-term recovery of the local construction industry.

5.3 Additional Regional Experience

CHF's understanding of the needs of indigenous partner organizations, their current deficiencies and future potential is well grounded in our experience throughout Europe and Eurasia dating from the early 1990's. CHF recognizes that nascent, local NGOs may play different and often multiple roles in the building of democracy in the region by stimulating economic and institutional growth, facilitating local initiatives and raising funds, acting as representatives of community interests and promoting alternative patterns of civic participation in government. In addition to the aforementioned programming experience in **Azerbaijan and Kosovo**, our experience in Poland, Romania, and Russia provide an advantageous regional perspective.

5.3.1 Romania: Integrated NGO and Economic Development Program

CHF currently has an office in Timisoara, Romania which manages a multi million dollar Integrated NGO and Economic Development (INED) Program in five Western Romanian counties bordering or adjacent to counties bordering Serbia. As such, CHF has direct experience and dialogue with Serbo-Romanian people and informal links with Serbians from the Former Republic of Yugoslavia (FRY). Several CHF staff members speak Serbian and regularly travel to FRY. Our local partner NGOs share a common experience with their Yugoslav neighbors.

Building upon an earlier CHF program implemented in Timis County since 1994, the INED program has created a fully integrated, replicable, development model of intensive, broad-based local development. It works with local government partners to devise local economic development strategies suitable in each

region. INED has also established a series of pilot initiatives to demonstrate the concept and practice of local government-NGO contracting. To increase access to credit, CHF's local partners implement microcredit activities, using small business associations and/or homeowners associations as a peer-group structure, to provide effective pressure for timely loan repayment. These groups form the basis for the creation of a community financial institution, which fills a vital market niche not addressed by formal banking institutions in Romania. More than \$3 million has been disbursed for the support of small business development and home improvements, with a default rate of less than 2%. More than 2,900 stable local jobs have been created or maintained, and the program has benefited directly more than 6500 Romania families.

5.3.2 Poland: Housing Delivery System and Condominium Development

CHF maintains close ties with our local partners from the Strengthening a Decentralized, Market-Oriented Housing Delivery System Through NGOs project and our Condominium Development Program. CHF worked to establish local nonprofit housing developers (Agencies to Support Housing Initiatives - AWIMs) and form them into a national network. CHF/Poland managed institutional support grants extended to the 32 AWIMs that now operate on a self-sustaining basis. CHF also helped create a demand-driven, nonprofit technical support center, the Center for Housing Initiatives, facilitating the operation and expansion of the network.

6 Institutional Capacity

Since 1952, the Cooperative Housing Foundation (CHF) has been assisting low- to moderate- income families to improve their own communities, habitats, and financial opportunities. CHF is an international development organization, incorporated as a 501(c)(3) non-profit. CHF is registered to operate programs in sixty-six countries, is on the World Bank and Inter-American Development Bank Registry of Qualified Contractors, is recognized by USAID as a Private Voluntary Organization and a Cooperative Development Organization, and has been granted Consultative Status to the Economic and Social Council of the United Nations.

Having worked in 100 countries worldwide, CHF has earned an international reputation as a catalyst of sustainable, positive, democratic change. Our staff makeup reflects our vision of development from within, as over 250 of our 312 employees are from client nations.

CHF currently has 17 field offices, and is working in 27 countries throughout Latin America and the Caribbean, Africa, the Middle East, Europe, and Asia. CHF administers multi-million dollar programs, manages loan portfolios exceeding \$23 million, and has leveraged more than \$82 million in the past six years. Our programs in community development, infrastructure, housing, environment, and

microfinance are known for successfully partnering with local non-governmental organizations, and strengthening the capacities and increasing participation of community groups and local governments in their own development.

CHF has received global recognition in the international development arena. In 1999 CHF was appointed to the Habitat and Human Settlements Committee of the U.N. Economic Commission for Europe. In 1992 the United Nations formally recognized CHF for its community-based, participatory approach to economic and community development. CHF also received the U.N. Scroll of Honor for the quality and creativity of our housing finance programs.

6.1.1 Grants Managements

CHF has developed the financial expertise and a systematic "toolkit" necessary for the computerized management of nearly \$30 million of sub-grants. CHF places all sub-awardees on a monthly "management by measurable objectives" reporting system that provides both programmatic and financial information in a format consistent with CHF's internal reporting system and the reports required by our funding sources. In the case of large sub-awards, \$20,000 and above, funds are disbursed in tranches based on satisfactory progress and expenditure of funds.

CHF has a proven track record in grants administration, with a particular focus on building the capacity of local organizations and leveraging local resources. USAID has demonstrated its confidence in CHF's management capacity through a number of recent awards in Romania, Honduras, and the Dominican Republic.

6.1.2 Financial Management

During the last five years, CHF's operating budget increased fivefold. To accommodate this type of growth and to ensure a sound financial and management footing, CHF has put in place a flexible, accountable management structure. In addition to ensuring effective management of CHF operations, it is designed to accommodate continued expansion. At any given time, CHF is managing up to fifty contracts and cooperative agreements in more than twenty-five countries. CHF is well versed not only in the completion and submission of reports required by the U.S. government, but also in meeting the reporting requirements of more than thirty other funding sources, both domestic and international.

CHF's financial management system allows each program, country and region to be analyzed according to a variety of criteria and compared with other programs, countries and regions on a monthly basis. Its financial analysis tools allow CHF to monitor programmatic objectives in relation to financial performance, so that a program's progress can be monitored in several areas including: budgeted expenditure in relation to actual expenditures, percentage-to-completion, and variance reporting and trend analysis. This allows the disbursement process to function smoothly.

Annex A: Organization Chart

Annex B: CVs of Key Personnel and Start Up Consultants

Annex C: Additional CHF Consultants

The specialists listed below are just a handful of the capable consultants on call on to provide specific technical assistance to CHF/Serbia.

Carlos Ayerbe Gonzalez

Mr. Ayerbe has served as a consultant for USAID Missions, IADB, UNDP, UNCDF, CHF, RTI and SOZA International. He has assessed local contractor capacity and industrial projects for economic recuperation in Colombia, including metal tubing and PVC pipe factories and several civil engineering projects. For 25 years, Mr. Ayerbe has provided technical assistance and consulting services to private companies and public agencies in project management, feasibility studies, management, administration, planning, estimating, and environmental impact assessments.

Slawek Getka

As Project Director for CHF/Poland since 1995, Mr. Getka has collaborated extensively with private organizations and financial institutions providing on-the-job training and highly specialized professional assistance in all aspects of project development. As Project Manager and Construction Coordinator for the Bechtel Corporation in the United States, he coordinated a variety of complex infrastructure development projects. Mr. Getka was responsible for project preparation, budgeting, scheduling, design supervision, regulatory approval, presentations, bidding process, construction supervision and post-project evaluation.

David Dunbar

Mr. Dunbar has 20 years of success in forging coalitions, forming private-public partnerships, and leveraging seed resources. During three years as CHF's Program Director in Russia, Mr. Dunbar led training seminars in financial market analysis for urban planners, construction contractors, and local and state government officials. An experienced entrepreneur, Dunbar co-founded led Shipcarpenter Associates, Inc, a housing contractor specializing in refurbished homes build prior to 1920. As President and CEO Dunbar directed all aspects of the free-market enterprise including sales, financing, construction management, design and research.

Frantz Benoit

As project director of CHF/Haiti, Mr. Benoit managed a number of World Bank, USAID, and Government of Haiti -funded infrastructure construction projects. As project director, Mr. Benoit oversaw the construction of a municipal youth center,

repairs to over 1,000 km of irrigation and drainage canals, as well as the study and design of 5 public markets and roads. Mr. Berrill's has also provided technical assistance on various potable water, sanitation and land fill management studies.

Brian Holst

Mr. Holst has ten years of international development experience and has worked in Latin America, Eastern Europe, and Asia. He is currently heads the CHF's programs in El Salvador. Since 1995, Mr. Holst has managed CHF's programs in El Salvador and has overseen large- and small-scale infrastructure rehabilitation and housing construction programs, environmental mitigation, and credit programs. He has also worked as the lead technical resource on the IDB-funded land regularization and housing credit program in Guatemala, and on various sustainable habitat initiatives for PLAN International in El Salvador, Bangladesh and Haiti. He currently manages a staff of approximately 30 full-time employees and stands out among his peers for his outstanding organization, housing and community development skills and his results-oriented approach to management.

Alain Noudehou

Mr. Noudehou is the former Chief of Party of CHF's highly successful program in South Africa, National Expansion of Assisted Self-help Housing. He has a strong background in urban development and urban infrastructure development programming. He has provided technical assistance to national and international organizations in the areas of financial and cost-benefit analysis, system analysis and design, and low-income housing credit programs. Mr. Noudehou participated in the development of several rental and home-ownership projects using both private and public sources. Mr. Noudehou has provided technical assistance to the Financial and Information Services Division of the U.S. Department of Housing and Urban Development (HUD) on issues related to the Cash and Management Information System (C/Mi System). He has been responsible for diverse activities related to both program development and management. Mr. Noudehou holds a Master Degree in Public Policy and Management and is fluent in English, French, Chinese, and Fon (Benin).

Matthew Lovick

Matthew Lovick has more than 12 years of international, community development experience, and is currently CHF's COP in Gaza and the West Bank. As the former Project Director for CHF's Model Project for NGO Development in Romania, Mr. Lovick provided technical assistance to NGOs in infrastructure improvement, housing management, agriculture, trade association development and social services, developing innovative public-private partnerships. As Executive Director for a community development corporation in New York City, Mr. Lovick combined expertise in large-scale housing development, alternative credit programs, small enterprise development, cooperative development, community outreach and adult education. Since 1993, Mr. Lovick has served as a consultant to CHF in Lithuania, Poland, and Hungary on projects related to

infrastructure, civic participation, privatization, urban development, micro-credit and the development of affordable housing through cooperatives and condominiums. In addition to Mr. Lovick's extensive Central and Eastern European experience, he worked in Mali for four years, undertaking rural development projects and implementing disaster relief programs.

Ralph Killian

Ralph Killian has over 15 years experience as a private builder and contractor. A skilled draftsman and construction supervisor. He has financed and managed large scale (200 plus houses) development business. In the past three years, Mr. Killian has supervised utilities and housing construction of 932 houses for CHF in South Africa. Mr. Killian was CHF's Technical Advisor in the recently concluded 4-month Kosovo Winterization Program in which he supervised the repair of 313 houses.

Annex D: Interview and Contact List from Field Assessment***BUJANOVAC Municipality***

Dr Stojanca Arsic, President of Bujanovac municipality

Blagoje Tabas, President of the Executive Board

Kamberi Shaib, Director, Bujanovac Council for Human Rights

Memeti Siptar, Assistant to Bujanovac Council of Human Rights

Mile Velickovski, Technical Director, Director of Utility Services

Stojadin Kostic, Municipality Road Infrastructure

Nebojsa Stojanovic

Ivan Bender, Member of the Civic Taskforce for Precevo Valley

Srdjan Tomic, Health Care Center Director

Trade Union 'Nezavisnost,' field office

Bata Lazarevic, Local Red Cross

PRESEVO Municipality

Riza Halimi, President of the Municipality

Fadil Aziri, Economic Advisor

Fazliju, Vice president of the Municipality

Musa Sulejmani, Utility Services

Naser Aziri, President of the Executive Board

Irfan Dzeljadin

Behlul Nasufi, President of the Democratic Action Party

Haiki Sacin, Commissioner for refugees

Sladjan, Committee for Human Rights

VRANJE Township

MSF field office

Koen Repriels, Project Coordinator, SE Serbia

Kostic Slavomir

Chief of the Local Police, Col. Zdravkovic

LESKOVAC

Narodni Parlament, Goran Mitrovic

International Organizations and Representatives

David Costello, USAID-OTI

Miodrag Stojadinovic, USAID-OTI

Team Leader, USG Interagency Working Group, Presevo Valley

Defense Attache, USG Interagency Working Group, Presevo Valley

Sergei Koryak , Medecins Sans Frontieres, Medical Coordinator

Myriam Khoury, Mercy Corps, Country Representative

Juri Usekov, UNHCR, Senior Safety Adviser

Sinisa Durkovic, UNHCR, Senior Field Safety Clerk

Bill Tole, UNHCR, UN Representative for SE Serbia including Presevo and
Bujanovac

Alex Mackenzie Smith, Bujanovac Field Office, ECOMM

Annex E: Gantt Chart

Annex F: Potential Projects

CHF has identified a variety of projects throughout the two municipal regions. The majority of these projects have come from various local government leaders such as municipal council members, water authority representatives, and local village "mayors."

Consultations with other international coordinating bodies, such as USAID, the UN and other European-based groups, have indicated that certain other projects are equally viable alternatives and, hence, will be fully explored.

Specific examples previously identified include³:

- Drinking water delivery system in Oslar (pop. 3 k; 60% Albania and 40% Serbs);
- Closing of an open sewer in Bujanovac, a significant community health hazard;
- Road extension from Oraovica to Donji; and
- Revitalization (partial replacement) of Zuinci main water pipeline reconnecting the water source to preexisting storage tanks.

These and other potential project identified during CHF's March 2001 field trip fall between CHF's project size (between \$40,000 and \$100,000). For more costly projects, CHF will proceed with a feasibility study before rejection because:

- 1) The costs are locally estimated and probably inflated;
- 2) The costs do not reflect CHF's emphasis on in-kind, community mobilized labor; and
- 3) CHF fully expects to leverage local, national and international resources by dividing and conquering different works to be completed -- for instance, CHF builds the reservoir, the community digs the trench (in-kind) and another group pays for the laying of new pipe.

CIDP will also focus on general social infrastructure, the environment and economic development within communities.

Examples of these types of projects may include:

- School Construction

³ These projects have not been screened against either the village selection criteria (i.e. % of ethnic make-up) nor the project selection criteria, to be decided and finalized during week of start up upon award.

- Heath Clinics
- Electrical Grid Improvement
- Road Rehabilitation
- Sewage System Improvement
- Water Well Rehabilitation
- Tree Reforestation
- Water Sanitation

Many projects are multi-sectoral, and impact upon the community is cross cutting. For instance, water improvement and utilization projects have a direct impact on the health of a community or the economic climate in general, as proper sewage disposal/covering impacts health and clean water for a food preservation factory impacts economic development.